WestSide

ANNUAL REPORT 2010-2011

WESTSIDE CORPORATION LIMITED

WestSide Corporation Limited

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COMPANY PROFILE

WestSide Corporation Limited is an ASX-listed company (ASX code: WCL) with interests in coal seam gas (CSG) projects in Queensland. The Company is a significant gas producer and participant in Australia's east coast energy market with established reserves and production under contract.

WestSide operates the Meridian SeamGas CSG fields west of Gladstone in Queensland's Bowen Basin in joint venture with major Japanese trading house Mitsui. These fields, in which WestSide has a 51 per cent interest, produce approximately 3.5 Petajoules of gas a year and the Company is moving aggressively to expand production, sales and certified reserves.

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 surrounding tenement acreage.

WestSide is focused on executing its strategy of commercialising known gas assets, identifying and proving up new reserves and seeking new CSG 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, from marketing opportunities to downstream industrial applications and access to Australia's domestic east coast gas market and Queensland's emerging export LNG industry.

"WestSide is a leading Australian ASX-listed gas explorer and producer, which supplies domestic demand in Queensland and aims to commercialise and sell more gas in the future for a range of uses including export LNG.

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

PROJECT PORTFOLIO

Bowen Basin

Meridian SeamGas CSG fields – Southern Bowen Basin

160km west of Gladstone

51% Operator in joint venture with Mitsui E&P Australia

Certified 1P, 2P and 3P reserves

PL 94 and gas rights over Mining Leases and infrastructure

Seams targeted – Baralaba Coal Measures and Kaloola Formation

Production focus

Near term development status

ATP 769P – Southern Bowen Basin

Adjacent to the Meridian SeamGas CSG fields

25.5% Operator in joint venture with QGC and Mitsui E&P Australia

Paranui
Certified 3P Reserves

Seams targeted – Baralaba Coal Measures and Kaloola Formation

Appraisal and production focus

Medium term development status

ATP 688P – Northern Bowen Basin

Adjacent to pipeline to Townsville

25.5% Operatorship in joint venture with QGC and Mitsui E&P Australia

Tilbrook
Certified 3P Reserves

Seams targeted – Moranbah Coal Measures

Medium term development status

Mount St Martin
Initial reserves evaluation underway

Appraisal focus

Seams targeted – Moranbah Coal Measures

Medium term development status

Galilee Basin

ATP 974P & ATP 978P – Northern Galilee Basin

Equidistant from Mt Isa and Townsville

51% Operator in joint venture with Mitsui E&P Australia

Seams targeted – Betts Creek and Aramac Coal Measures

Exploration focus

Long term development status

2011 – 2012 GOALS

Increase production

- Increase production from the Meridian SeamGas CSG fields towards 25 TJ/day by end 2012

Increase certified reserves

- Increase Meridian SeamGas 2P reserves through enhanced recovery from fields
- Demonstrate sub-1,000m production to unlock deep potential in PL94 and ATP 769P
- Certify 2P and 3P reserves in ATP 769P and ATP 688P
- Establish initial certification at Mount St Martin
- New exploration campaign in the Galilee Basin tenements

Petroleum Leases

- Apply for Petroleum Leases within ATP 769P and ATP 688P, subject to production pilot results

Commercialisation

- Secure long term future Gas Supply Agreements and down-stream processing opportunities
- Conduct exploration in previously unexplored areas of existing tenements

2010 – 2011 REPORT CARD

ACHIEVEMENT OF 2010 – 2011 GOALS

2010 – 2011 Goal	Current Status	FY2011 Result
Increase production		
Increase production from the Meridian SeamGas CSG fields	Work ongoing	Reversed field decline and completed five new well sets
Increase certified reserves		
Expand Meridian SeamGas 2P reserves	Achieved	Added 127 PJ of 2P reserves net to WestSide and 91 PJ of 3P reserves net to WestSide
Increase and convert existing 3P reserves to 2P at Paranui and Tilbrook	Underway	Paranui pilot production tests delayed due to prolonged wet weather
Establish initial reserve certification at Mount Saint Martin	Underway	Production test delayed due to prolonged wet weather
Expand CSG asset base		
Conduct exploration in previously unexplored areas of existing tenements and secure interests in new CSG prospects	Drilling in the Galilee Basin tenements commenced in the September quarter, 2011.	Secured grant of Galilee Basin tenements ATP 974P and ATP 978P

HIGHLIGHTS

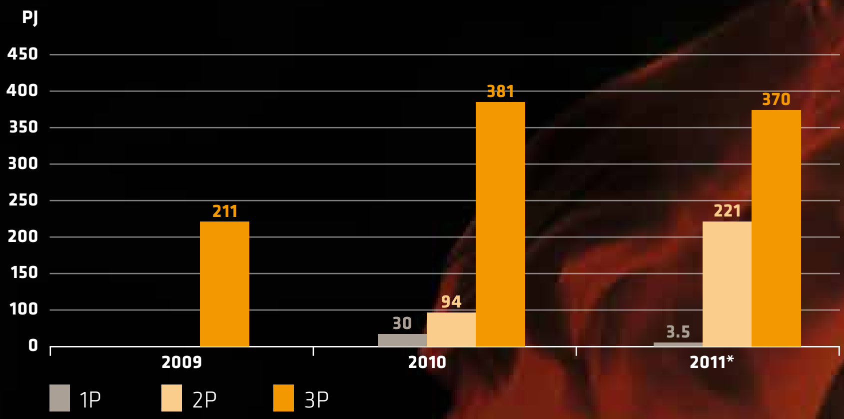
- First stage of Meridian exploration drilling delivers reserves upgrade and 135% increase in 2P reserves
- Updated NSAI reserves estimate boosts Meridian's 3P gross reserves by 54% to 513PJ
- Drilled and completed five new dual-lateral Meridian production wells
- Delivered 1,763,458 GJ of gas for sales revenue of $5.5 million
- Completed Bowen Basin tenement restructure, facilitating Mitsui E&P Australia farm-in
- Completed purchase of Galilee Basin tenements and Mitsui E&P Australia farm-in
- Completed three-well Mount Saint Martin pilot for production testing
- Established production operations and sales divisions

Subsequent to year end

- Exited Indonesian joint venture and secured Schramm rig as settlement
- Completed drilling two more dual lateral production well sets at Meridian

RESERVES

WestSide Net Reserves Growth



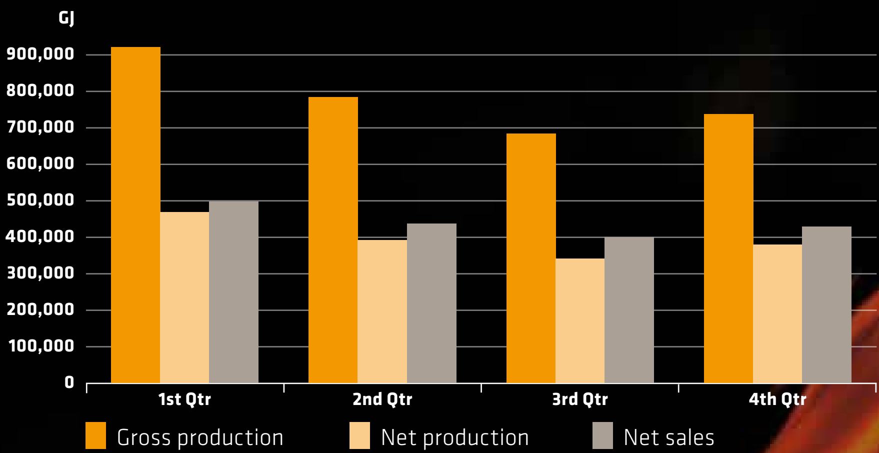
* Total includes impact of expanded Mitsui alliance post balance date.

Gas reserves (PJ)	% Share	1P* (PJ)	2P* (PJ)	3P* (PJ)	Additional GIP (bcf)*
Meridian (to 1,000m)	51.0	3.5	221.0	261.5	-
Meridian (0 - 1,500m)					1,510
ATP688P (to 1,000m)	25.5			39.0	674
ATP769P (to 1,000m)	25.5			69.0	183
Galilee Basin ATP974P & ATP978P	51.0				10,700
Total includes impact of expanded Mitsui alliance post 2011		**3.5**	**221.0**	**369.5**	**13,067**

* Net to WestSide. GIP based on internal estimates. Note: Meridian reserves are effective June 30, 2011.

PRODUCTION

Quarterly production and sales 2011



CHAIRMAN'S REPORT

"The Board remains focused on growing shareholder value by acting at all times in the strategic, long-term best interests of the Company and all shareholders."

The 2011 financial year saw WestSide complete its corporate transformation from a Coal Seam Gas (CSG) explorer into a gas production and exploration company after assuming operatorship of the Meridian SeamGas business at Moura in Queensland's southern Bowen Basin.

We also welcomed our new CEO Julie Beeby who brought valuable skills and discipline to WestSide. Julie has done a fine job in leading the management team during the Company's first year as a gas producer and delivering on the Board's 2P reserve target agenda.

WestSide successfully operated Meridian throughout the year, generating good revenues for the joint venture while continuing sustainable development of the gas-fields in collaboration with local stakeholders.

However, the business environment has been particularly challenging for the CSG sector in light of ongoing negative publicity surrounding the industry and the introduction of a further raft of Queensland Government policies relating to Strategic Cropping Land, fracture stimulation, Wild Rivers and exploration near urban areas – not withstanding the Federal Government's proposed Carbon Tax and Onshore Petroleum Resources Rent Tax.

A resulting rise in compliance and operating costs was exacerbated by Queensland's protracted and unparalleled wet season which caused sector-wide delays to drilling and exploration work programs.

Nevertheless, WestSide was still able to bring five new dual-lateral wells into production, maintain field output and complete a 10-well brownfield exploration program which more than doubled the Meridian SeamGas joint venture's 2P reserves to 433 PJ.

WestSide generated $5.5 million in annual revenue from its share of gas sales, providing the Company with its first operating cash flows. Significantly higher revenues are anticipated from increased production and pricing in future, as well as reduced operating costs per gigajoule.

In line with our broader strategy, WestSide has established a strong pipeline of projects at various stages of exploration, appraisal and production with a regional focus on Australia and Queensland in particular.

As the year progressed WestSide successfully cemented relationships with new joint venture partner Mitsui E&P Australia and then extended this alliance to include both the Company's Galilee and Bowen Basin tenement interests – testament to the strength of the relationship.

An exciting grassroots exploration program has subsequently been launched in the Galilee Basin tenement areas and drilling results are now being eagerly awaited.

Completion of the tenement restructure with our Bowen Basin joint venture partner QGC not only enabled Mitsui E&P Australia to take up a 24.5 per cent interest, but provided WestSide with full operatorship of ATP 688P and increased operatorship within ATP 769P adjacent to Meridian.

Consequently, WestSide ended the 2011 financial year in a strategically superior position from which to manage the development of its pipeline of CSG projects, and participate in Australia's growing east coast gas market and emerging export LNG sector.

Importantly, three of the four major Queensland LNG project proponents announced Final Investment Decisions in the last 12 months to proceed with the development of five trains worth more than $45 billion dollars. Gladstone is expected to have LNG production capacity of at least 25 million tonnes a year by 2020.

WestSide also remains alive to the potential of other mid-scale LNG opportunities as well as alternative gas usage strategies to ensure optimal flexibility is maintained. The Board continues to assess and conduct due diligence on the various options available to ensure WestSide is in the best position to maximise returns for shareholders.

The Meridian joint venturers have been encouraged by the level of interest shown by potential domestic customers and LNG project participants in contracting large, long term gas volumes from 2014.

Following the upgrade of estimated reserves by respected independent certifier NSAI, more than 90 per cent of Meridian's gross 2P and 3P reserves are now uncontracted – sufficient gas to supply 60TJ/d for almost 20 years. The joint venture is planning a second stage of the successful reserves expansion strategy targeting up to a further 200 PJ of gross 2P reserves by the end of calendar 2012.

Recent corporate developments within the sector have also clearly demonstrated the value placed on companies with significantly larger 3P reserves than WestSide. The Board recognises this and is pursuing a strategy to unlock the significant 3P reserves potential above and below 1,000m within Meridian SeamGas and the adjacent tenement ATP 769P.

One of the challenges for WestSide's executive team in the coming year, as Meridian's operator, remains to lift production from new wells and boost field output toward the targeted 25 Terajoules a day. This, in conjunction with the expanded reserves base, should foster necessary market confidence in the joint venture's capacity to deliver into new gas sales agreements.

WestSide has begun planning for accommodation of new contract commitments on the expiry of the existing gas contracts with AGL in 2014-15 and is looking at various field development options and well completion technologies to lift production.

Corporate governance was strengthened through the development and adoption of new policies in respect to diversity, remuneration and share trading in response to the ASX Corporate Governance Council's introduction of new guidelines which took effect this year. Additionally, the Board established a remuneration committee in keeping with both the new guidelines and recent expansion of the Company.

The Directors are well aware of the prevailing weakness in WestSide's share price which has tended to reflect a sector-wide trend. The Board remains focused on growing shareholder value by acting at all times in the strategic, long-term best interests of the Company and all shareholders.

I believe WestSide is ideally positioned to benefit from rising demand for domestic gas and feedstock for export LNG and the increased pricing which this growth is expected to generate.

In conclusion and 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 much-valued contribution and look forward to what promises to be another exciting year.

Thank you for your continued support,

Angus Karoll
Executive Chairman

CHIEF EXECUTIVE'S REPORT

"WestSide's achievements during the 2011 financial year have ideally positioned the Company for the next exciting phase of development, culminating in the execution of new Gas Sales Agreements."

The 2011 financial year has been pivotal in WestSide's development since the Company assumed operatorship of the Meridian SeamGas business at Moura in joint venture with Mitsui E&P Australia just over 12 months ago.

Thanks to the dedication and ingenuity of our people, WestSide has triumphed over significant adversity stemming from the prolonged wet, and the inherited state of the gas fields.

Early preparation of all-weather roads at Meridian not only allowed drilling programs to continue, but enabled the field operators to focus on maintenance, repairs and well work-overs to offset natural field decline.

While the wet weather significantly delayed scheduled work at WestSide's other projects at Paranui, Mount Saint Martin and Tilbrook, planning and preparatory work for the Galilee Basin exploration program was able to continue uninterrupted.

The learning curve overcome to operate Meridian SeamGas successfully has been particularly steep for all concerned. Our achievements have therefore been all the more rewarding in terms of the value created, field potential unlocked and foundations laid for future growth.

Key FY2011 Achievements

- Meridian 2P reserves more than doubled to 433 PJ
- Drilled and completed five new Meridian production well-sets
- Completed 22 well work overs, delivering about 2.7 TJ/d of additional production
- Generated gas sales revenue of $5.5 million for WestSide
- Executed Mitsui E&P Australia farm-ins to Bowen and Galilee Basin tenements

Increased reserves at Meridian

A year ago WestSide reported that Meridian had 186 PJ of gross 2P reserves and 334 PJ of gross 3P reserves.

The joint venture had initially planned to focus solely on field renovation and drilling new production wells to meet existing contractual commitments of 25 TJ/d.

However, it quickly became clear additional 2P reserves would be required to support the negotiation of long term gas sales contracts prompting an adjustment in our strategy and focus to include exploration drilling while simultaneously drilling for production.

As a result of the 10-well brownfield reserves expansion program completed in late May, Meridian's reported 2P reserves as at 30 June 2011 more than doubled to 433 PJ, while 3P reserves increased 54 per cent to 513 PJ.

This milestone was achieved on time and under budget as the program was refined in response to advice from the independent reserves certifier NSAI and WestSide's increased understanding of the gas-field geology and production profiles.

A recent corporate transaction within Australia's CSG sector valued 2P gas reserves being acquired at more than A$0.80 a GJ and 3P reserves at A$0.50 a GJ. Those metrics imply that WestSide's share of the additional reserves would be worth over $100 million on a 2P basis or $45 million on a 3P basis.

A disappointing aspect of NSAI's revised estimate was the reduction of reserves in the 1P category from the 60 PJ previously reported to 7 PJ. This reflects the failure of the previous operator to complete the field development work scheduled in the prior two years.

Although WestSide expedited this work, production from new wells and work-overs had not increased sufficiently at the time of NSAI's report to offset natural field decline, economic conditions and the allocation of increased operating costs.

Significantly, the estimate did not take into account all of the coal seams present, particularly any seams below 1,000 metres, or the key benefits of recent production drilling and work-overs, which will further enhance the reserves base in 2012.

Westside has analysed two wells drilled by one of the previous operators to a depth of 1,350 metres that achieved promising production rates and will be implementing a work program during the coming year designed to demonstrate commercial flows from these extensive deeper seams below 1,000 metres.

Focus on production

The second pillar for WestSide's growth strategy during the 2011 financial year was development of additional production capability at Meridian Seamgas. WestSide commenced drilling in July 2010 and completed five lateral well-sets by June 2011, despite the protracted wet season.

The challenge remains to demonstrate WestSide's capability to bring new wells into production efficiently and to increase production toward 25 TJ/d by the end of the 2012 calendar year. Much of the hard work has been done now and we remain confident of delivering.

Using a multi-rig strategy, WestSide completed five new dual-lateral well-sets involving almost 20,000 metres of drilling – more than half of this in coal. These wells are expected to deliver targeted peak production of 6-7TJ/d if the wells match historical performances. Two more dual-lateral well-sets have since been completed.

The lateral wells were all drilled with the Schramm TXD 180 rig which has helped WestSide drill these long wells with efficiency and accuracy. The number of days taken to drill the lateral wells has progressively fallen from more than 30 days to around 11 days due to a focus on continuous improvement and the application of learnings.

The new lateral well-sets are still in the ramp up stage and have yet to start delivering significant gas volumes in total due to a planned dewatering phase and prevalence of coal fines on start-up. However, the time being taken to bring them into production is comparable to that reported by the previous operator and individual wells are performing as anticipated.

Nevertheless, options to accelerate the process without compromising the integrity of the wells are being investigated for trial. These options include commissioning wells by working them over simultaneously as they are brought on pump to eliminate loss of momentum caused when water levels return to equilibrium.

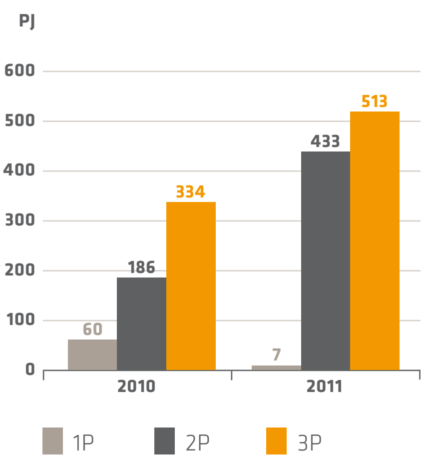
When WestSide assumed operatorship at Meridian the fields had 73 production wells, about 50 of which were producing gas. Work-overs on seven wells were completed during the September quarter 2010, lifting production more than six per cent before the wet season curtailed activity.

As the graph below shows, a further 15 well work-overs were completed using two rigs during the six months to June 30 2011, delivering additional production of 2 TJ/d.

WestSide plans to continue a rolling program of well work-overs and separately trial a number of different techniques including completion of an existing lateral well with no vertical intersection, enhanced stimulations and ultra-tight radius drilling.

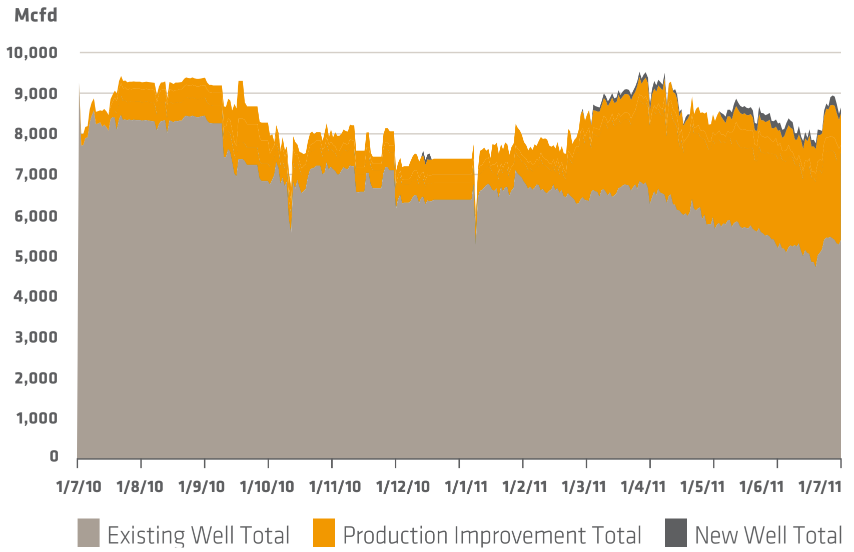
The graphic on the next page clearly illustrates the impact (in yellow) of WestSide's work program in arresting field declines (in brown) through production improvements from well interventions and maintenance. As the black shaded area shows, the production lift from the new wells has progressed gradually.

Meridian Gross Reserves Expansion



Meridian SeamGas Well Work-overs

Meridian SeamGas Field Progress



Meridian strategy

Currently, Meridian has almost 398 PJ of uncontracted 2P reserves and WestSide believes there is potential to increase the joint venture's un-risked gross 2P reserves from 433 PJ at present to in excess of 600 PJ by enhancing gas recovery and demonstrating production from coal seams below 1,000 metres.

Given the low-cost development profile and access to gas transport infrastructure, WestSide's near term objective remains to boost Meridian SeamGas production and sales while continuing to increase the field's certified reserves position.

Management has been working closely with the Board and joint venture partner Mitsui E&P Australia to develop a five-year business plan which matches field development and production ramp up with emerging opportunities to supply domestic and export LNG customers after the current contractual commitments expire in 2014-15.

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 or promising pilots, even in the deeper seams to 1,350 metres.

The Eastern fairway features shallower coals adjacent to the coal mining area which favour lateral-based drilling options to a depth around 500 metres and could accommodate an additional 75 wells.

Coal seams in the Central fairway lie between 500 metres and 1,000 metres where multiple options for production well drilling techniques are open, including enhanced stimulation. This area could accommodate up to an additional 100 wells.

Further exploration and demonstrations of production enhancement techniques are still required to exploit the deeper coal seams located in the Western fairway which could accomodate an additional 20-40 wells.

Additional reserves

In the medium term WestSide will focus on progressing its Paranui project in ATP 769P, due to its proximity to the Meridian field's infrastructure, and the Mount Saint Martin and Tilbrook projects in ATP 688P.

After successful completion of drilling of the Paranui and Mount St Martin pilots in 2010, the final commissioning of these pilots was delayed due the protracted wet season during the year.

A work-over rig was unable to access the Paranui project area until early July 2011 to complete the first of three wells which form the new production pilot within ATP 769P. Initial results have been encouraging, with high water and gas rates evident during air lifting and cavitation. Further testing is proposed to test and increase gas recovery.

At Mount Saint Martin within ATP 688P, initial well tests show work-over intervention will be required to clean the wells prior to commissioning. This will allow an extended production test to capture data critical to evaluating the prospects of the field and achieving an initial reserve certification in the Mount Saint Martin area to add to the Tilbrook reserves.

A reserves upgrade at Paranui and an initial reserve certification of the Mount Saint Martin pilot area are expected to further increase WestSide's 2P reserve position and build on the Company's 370 PJ of 3P reserves, which were reduced as a consequence of the Mitsui E&P Australia farm-in.

Along the eastern margins of ATP 769, there is further potential for CSG at depths between 1,000 and 1,500 metres. Revised modelling now indicates there could be potential there for an additional 1,700 PJ of gross risked 3P reserves.

Importantly, the acquisition of ATP 974P and ATP 978P in the Galilee Basin has provided WestSide with a longer term growth focus as they are estimated to contain up to 21,000 bcf of gas in place. The first well in the joint venture's four-well grass roots exploration program has only just spudded so it is too early to forecast potential outcomes at this stage.

Markets

The Meridian acquisition has provided WestSide with an opportunity to access international LNG markets through Mitsui E&P Australia's global LNG network and for the joint venture to consider supplying new domestic gas contracts from 2015-16 once the current supply contracts expire.

According to respected energy advisory firm EnergyQuest, prices for any new long-term gas contracts or contract extensions are likely to reflect LNG netback prices of around $7/GJ and may increasingly become oil linked, either directly or indirectly. This compares favourably with existing prices of $3-4/GJ.

The Queensland Government's 2011 Gas Market Review conducted by SKM/MMA also confirmed this view, noting that new contract prices under its high demand scenario could rise substantially from 2013, to over $8/GJ in most markets and remain there until the mid-2020s.

A range of factors are cited, including a limitation on conventional reserves available, the high cost of developing both conventional reserves offshore Victoria and CSG reserves outside "sweet spots" now dedicated to LNG, and the introduction of carbon pricing.

EnergyQuest believes large industrial customers may increasingly move to buy into upstream gas production to manage their risks as a two-part market emerges where long-term base load contracts reflect LNG netback prices and a short-term market balances supply from LNG projects and volatile demands for power generation.

Relationships

WestSide is committed to developing and maintaining a strong relationship with Anglo Coal and Mitsui Moura Investment on whose mining lease the Company now operates.

WestSide continued to foster a close working relationship with Mitsui via its joint venture with Mitsui E&P Australia and extended the alliance during the year to initially include the Galilee basin tenements ATP 974P and ATP 978P.

Completion of the Bowen Basin tenement restructure with joint venture partner and BG Group business QGC then paved the way for Mitsui E&P Australia to farm-in and provided WestSide with full operatorship of ATP 688P and increased operatorship within ATP 769P.

Under the terms of the Bowen Basin farm-in agreements executed post balance date on 1 July 2011, Mitsui E&P Australia will pay WestSide approximately $11.5 million – a sum equivalent to 49 per cent of WestSide's exploration costs to date within the two tenements.

Settlement is pending following receipt of indicative Queensland Government approval. Mitsui E&P Australia will then have a 24.5 per cent interest in those tenements while WestSide's interest will reduce from 50 per cent to 25.5 per cent in each.

As a gas producer, WestSide has also sought to nurture its relationship with gas customer AGL Energy with a view to increasing production and sales.

Regulation

Over the past 12 months the CSG industry has seen a continued escalation of Queensland Government initiatives to strengthen the State's regulatory and compliance regime in response to public concerns about a range of safety and environmental issues.

WestSide has worked closely with the Queensland Government to put in place monitoring and reporting systems to provide relevant operational information transparently and in a timely manner and generally supported the need for additional oversight of such a rapidly growing industry.

Meridian, Australia's oldest producing CSG field, was established in the mid 1990s. Consequently surrounding landholders have had a great deal of experience co-existing and operating alongside the industry.

Nevertheless WestSide has had to consider the potential impacts of initiatives such as the proposed declaration of the Cooper River Basin as a Wild Rivers Area, the introduction of legislation to protect strategic cropping land and the exclusion of CSG exploration within 2km of urban population centres.

Overall, these initiatives are not expected to materially impact the prospectivity of WestSide's exploration tenements or ability to develop production in PL94 at Moura.

However, the cost of regulatory compliance is rising and that remains a concern, particularly to smaller exploration companies which must raise capital if they are to continue unlocking wealth for the State and the nation.

For instance conditions contained in Environmental Authorities required for exploration and appraisal are now starting to reflect those governing production activities generally undertaken by the larger established energy sector players.

Outlook

The 2011 financial year threw up considerable challenges for WestSide as the Company stepped up to meet its operating responsibilities at Meridian

However, the achievements to date have ideally positioned the Company for the next exciting phase of development, culminating in the execution of new Gas Sales Agreements to supply domestic and export LNG customers at substantially higher prices than the market has been prepared to pay in the past.

Still there is much work to do during the year ahead as we focus on increasing reserves and ramping up production at Meridian while improving efficiency and reducing costs with the goal of becoming a lowest quartile cost operator.

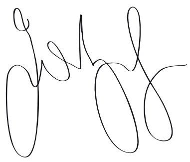
Results from the grassroots exploration campaign in the Galilee Basin are being eagerly awaited and will be processed to determine the next phase of the program involving the drilling of an additional six wells in each tenement.

Meanwhile appraisal work will accelerate at the new Paranui and Mount Saint Martin pilot projects with a view to establishing additional 2P and 3P reserves in those areas.

WestSide is also looking forward to receiving the results of the seismic survey being undertaken by QGC in ATP 769P and ATP 688P in the Bowen Basin. The survey is expected to identify new exploration targets within the tenements to increase the Company's 3P reserves.

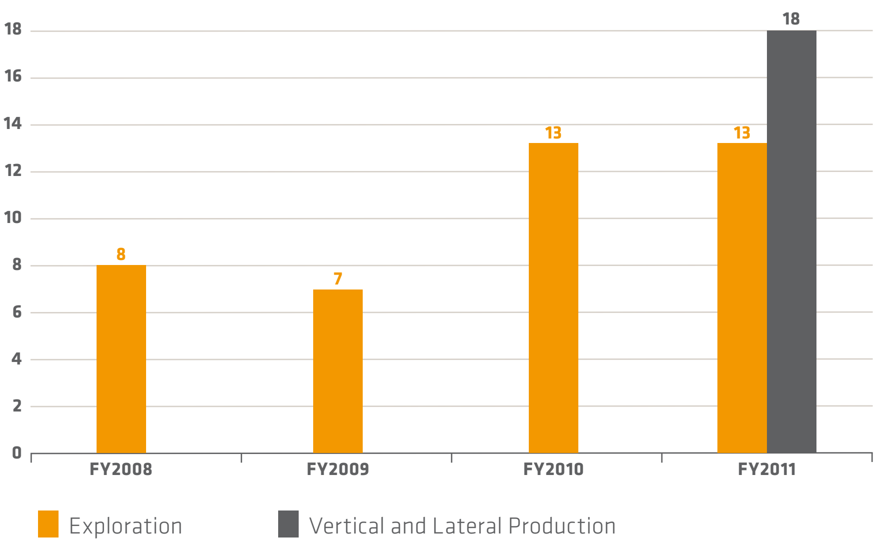
During my first 12 months as the Chief Executive Officer of WestSide I have had the privilege of leading a team of dedicated and innovative professionals who have risen to the many challenges we faced.

Together we look forward to developing Meridian SeamGas to its full potential and unlocking the value within our exploration tenements for the benefit of WestSide shareholders, its joint venture partners and other stakeholders involved in our operations.



Dr Julie Beeby
Chief Executive Officer

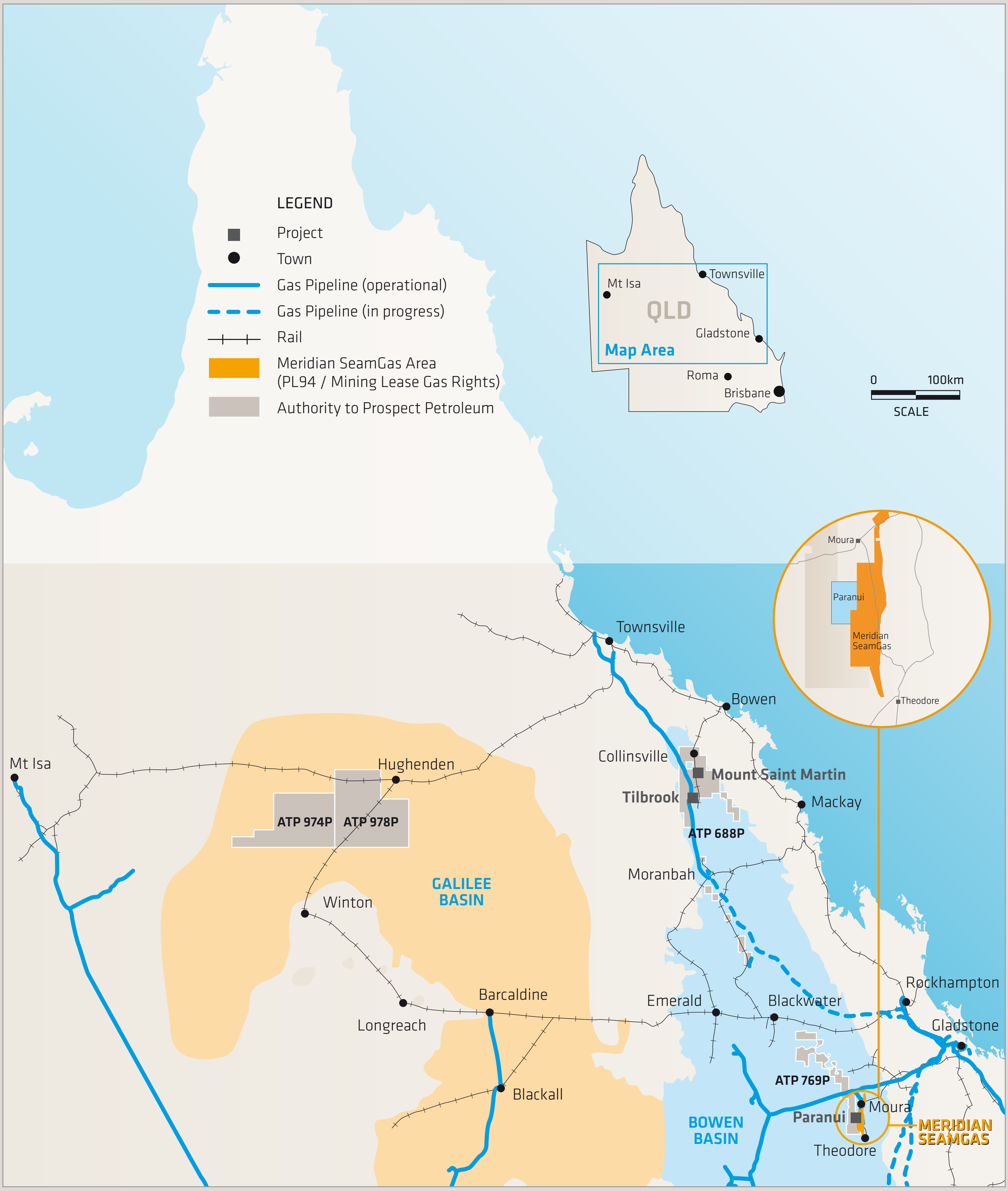
Wells Drilled



Note: Total production wells includes five dual-lateral well-sets.

OPERATIONS AND PROJECTS

AUSTRALIAN PROJECTS PORTFOLIO



Bowen Basin

Meridian SeamGas
PL94 & Mining Lease gas rights

Location: Moura – Bowen Basin, Queensland

WestSide interest: 51%

Reserves: 3.5 PJ (1P) 221 PJ (2P) 261.5 PJ (3P) net to WestSide

Additional GIP estimate: 1,510 bcf net to WestSide

WestSide joined Mitsui E&P Australia in March 2010 to acquire the Dawson CSG fields near Moura in Queensland's Bowen Basin from Anglo American (Anglo) and Mitsui Moura Investment.

On 1 July 2010, WestSide commenced operating the field which has been producing approximately 9-10 Terajoules of gas a day (TJ/d).

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

The Meridian SeamGas CSG fields are of additional strategic importance as they provide a potential pathway to market for WestSide's gas at Paranui within the adjacent tenement ATP 769P which the Company operates in joint venture with BG Group and Mitsui E&P Australia.

Gas, including gas purchased from the adjacent Mungi gasfield, is sold to AGL under two existing contracts which run until 2014-15.

Gas reserves

The fields have gross certified Proved (1P) gas reserves of 7 PJ, 433 PJ of Proved and Probable (2P) reserves and 513 PJ of Proved, Probable and Possible (3P) reserves.

However, there is significant un-appraised gas within the lease area which contains a number of prospects. An additional five seams are currently not reserve certified. CSG contained at depths greater than 1,000m has not been included.

Production Wells

The Meridian SeamGas fields span an area of approximately 206km^2 and now contain almost 60 producing wells including additions since WestSide assumed operatorship.

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

During the 2011 financial year the joint venture drilled five new dual lateral production well sets and a further two well-sets were completed after the balance date.

The wells, which employ a range of designs and completion techniques, are connected to the compression and transportation infrastructure via some 160km of low and high pressure pipeline.

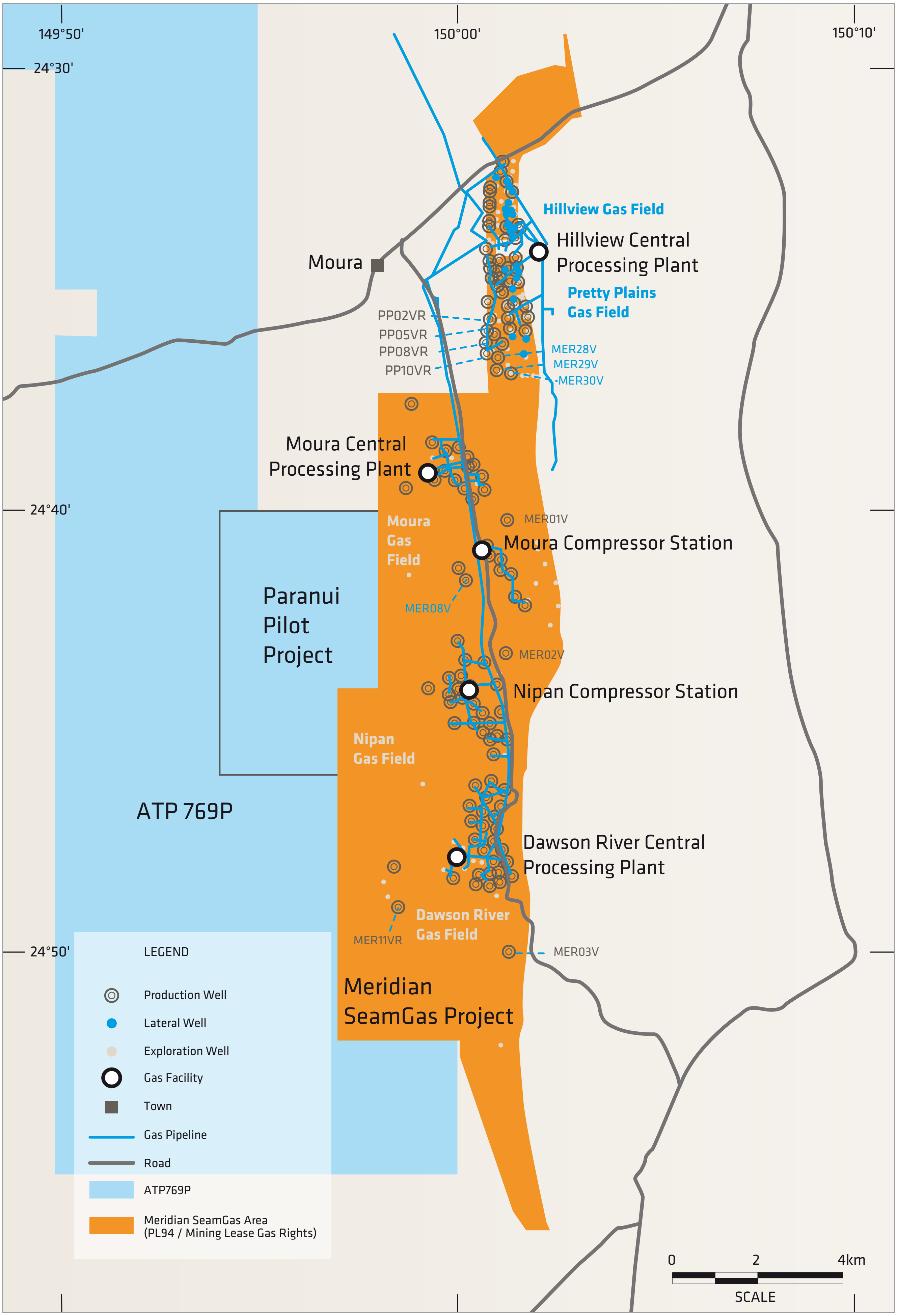
Infrastructure

While Meridian SeamGas has contracts to take up to 25TJ a day the core pipeline infrastructure has total capacity of 60 TJ/d while the existing compression equipment can handle up to 30 TJ/d.

This excess capacity provides the joint venture with an opportunity to increase production at low cost.

The main compression station located at Hillview comprises a bank of seven 1,000HP General Electric compressors capable of handling 21 TJ/d and an Alco dehydration unit with matching capacity.

Meridian SeamGas operates compression stations at four other locations within the gas fields and the joint venture is developing a strategy to optimise their usage as production increases.


149°50'
150°00'
150°10'
24°30'
24°40'
24°50'
Moura
Hillview Gas Field
Hillview Central Processing Plant
Pretty Plains Gas Field
PP02VR
PP05VR
PP08VR
PP10VR
MER28V
MER29V
MER30V
Moura Central Processing Plant
Moura Gas Field
MER01V
Moura Compressor Station
MER08V
Paranui Pilot Project
MER02V
Nipan Compressor Station
Nipan Gas Field
ATP 769P
Dawson River Central Processing Plant
Dawson River Gas Field
MER11VR
MER03V
Meridian SeamGas Project
LEGEND
Production Well
Lateral Well
Exploration Well
Gas Facility
Town
Gas Pipeline
Road
ATP769P
Meridian SeamGas Area (PL94 / Mining Lease Gas Rights)
0
2
4km
SCALE

Bowen Basin

ATP 769P – Paranui

Location: Moura-Bowen Basin, Queensland

WestSide interest: 25.5% (settlement pending)

Reserves: 69 PJ (3P) net to WestSide

Additional GIP estimate: 183 bcf net to WestSide

The Paranui CSG pilot project is located 10km south of Moura and just 5km to the west of the adjacent producing Meridian SeamGas CSG fields. WestSide will have a 25.5 per cent operating interest following Mitsui E&P Australia's farm-in to 24.5 per cent. BG Group business QGC owns the remaining 50 per cent.

The target Baralaba Coal Measures in this part of the tenement, lie at a depth of between 550m and 950m and generally contain 21-25m of gas-bearing coal in up to 12 seams.

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

After wet weather delays, a rig gained access to the site in early July 2011 to complete the first of the three wells. The performance of these flushed and air-lifted, vertical wells will then be compared to results from the initial pilot wells which were subjected to fracture stimulation treatments

WestSide's goal is to build on the initial certified gas reserves and convert some of the existing 3P gas reserves into 2P reserves.

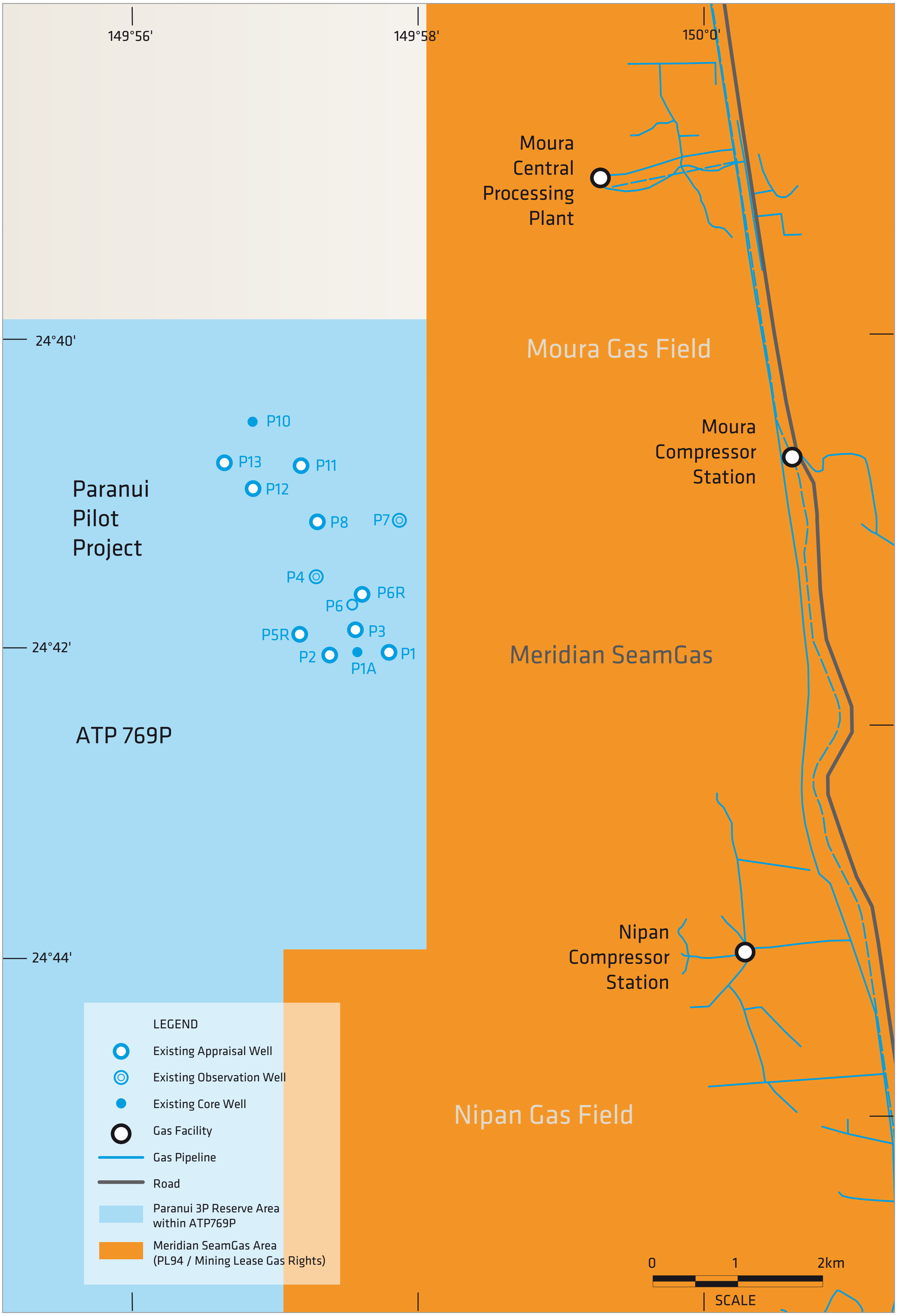
Gas reserves

WestSide booked 135 PJ of certified 3P gas reserves at the 25km^2 Paranui pilot in June 2009 prior to Mitsui E&P Australia's farm-in.

As a result of the joint venture restructure WestSide has sole operatorship of the Paranui project and other tenement areas adjacent to PL94. WestSide's understanding of the geology has also been greatly enhanced through its operatorship of Meridian.

It is estimated that ATP 769P contains a further 183 bcf of gas in place (WestSide's share) to a depth of 1,000m. Substantially higher quantities of gas in place could be accessed by drilling to depths greater than 1,000m. The ability to access gas from coals deeper than 1,000m could add significantly to WestSide's current gas reserves.

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


149°56'
149°58'
150°0'
24°40'
24°42'
24°44'
Moura Central Processing Plant
Moura Gas Field
Moura Compressor Station
Meridian SeamGas
Nipan Compressor Station
Nipan Gas Field
Paranui Pilot Project
ATP 769P
P10
P13
P11
P12
P8
P7
P4
P6R
P6
P3
P5R
P2
P1A
P1
LEGEND
Existing Appraisal Well
Existing Observation Well
Existing Core Well
Gas Facility
Gas Pipeline
Road
Paranui 3P Reserve Area within ATP769P
Meridian SeamGas Area (PL94 / Mining Lease Gas Rights)
0
1
2km
SCALE



Bowen Basin

ATP 688P – Mount Saint Martin & Tilbrook

Location: Collinsville – Bowen Basin, Queensland

WestSide interest: 25.5% (settlement pending)

Reserves: 39 PJ (3P) net to WestSide

Additional GIP estimate: 674 bcf 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 300m and 600m and contain between 7m and 15m of gas-bearing coal. 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.

WestSide as sole operator within the tenement, will have a 25.5 per cent interest following Mitsui E&P Australia's farm-in to 24.5 per cent. BG Group business QGC owns the remaining 50 per cent.

Gas reserves

WestSide's initial share of 3P reserves from the area addressed by the Tilbrook pilot was certified at 76 PJ in June 2009, but will reduce to 39 PJ as a result of Mitsui E&P Australia's farm-in.

The reserves certification 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

Production testing at the Mount Saint Martin three-well pilot project commenced during the June quarter of 2011, following suspension of the program due to the impact of the wet season.

The 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 initial results indicated sufficient water and gas flows to justify proceeding to further well bore cleaning.

An extended production test is planned to capture data critical to evaluating the prospects of the field and achieving an initial reserve certification in the Mount Saint Martin area to add to the Tilbrook reserves.

Core samples from the initial Mount Saint Martin 1 delivered promising gas content of $8.3m^3/t$ and saturation data. Net coal ranging from 10m to 28m was subsequently logged in the subsequent appraisal wells.

Tilbrook pilot

The Tilbrook pilot, designed to appraise the Moranbah Coal Measures, 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).

The production test of the Tilbrook 7 and Tilbrook 8 appraisal wells continued until operations were suspended early in the June quarter of 2011.

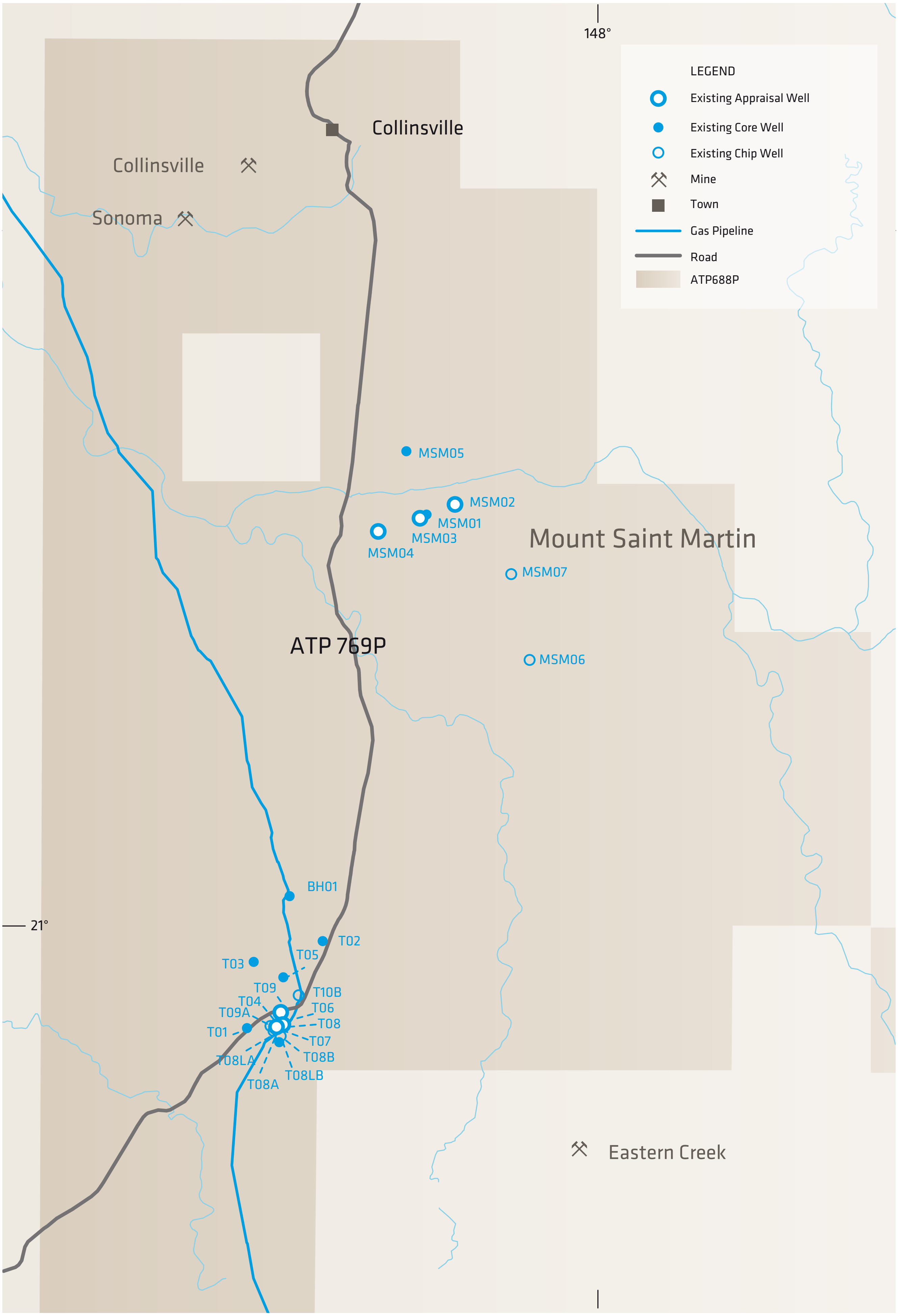
WestSide has also drilled three additional wells (Tilbrook 9a, Tilbrook 9 and Tilbrook 10b) in preparation for new lateral wells to expand the Tilbrook pilot once the regional prospectivity has been assessed.

The Tilbrook 9a exploration well and Tilbrook 9 vertical appraisal well intersected 9m and 10m of net coal respectively. The Tilbrook 10b exploration well encountered three metres of net coal after adjustments for the impact of localised intrusions.

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

Other Activity

An extensive seismic program is being planned for the remainder of ATP 688P which joint venture partner QGC plans to undertake in 2012 on behalf of the joint venture. Results will be used to identify additional exploration targets for testing.


148°
LEGEND
Existing Appraisal Well
Existing Core Well
Existing Chip Well
Mine
Town
Gas Pipeline
Road
ATP688P
Collinsville
Collinsville
Sonoma
MSM05
MSM02
MSM01
MSM03
MSM04
Mount Saint Martin
MSM07
ATP 769P
MSM06
BH01
21°
T02
T05
T03
T09
T10B
T04
T06
T09A
T08
T01
T07
T08LA
T08B
T08A
T08LB
Eastern Creek



Galilee Basin

ATP 974P & ATP 978P

Location: Hughenden – Galilee Basin, Queensland

WestSide interest: 51%

GIP estimates: 10.7 tcf net to WestSide

In July 2010, WestSide acquired 100 per cent interests in two new exploration tenements after they were formally granted by the Queensland Government, securing a significant foothold for the Company in the State's new coal-rich, CSG frontier in the Galilee Basin.

Mitsui E&P Australia subsequently farmed-in to earn a 49 per cent interest in each of the exploration tenements, ATP 974P and ATP 978P, which cover a combined area of 14,480 km^2 in the basin's north-western region.

In late September 2011 WestSide commenced drilling Glenlyon 1 - the first well in a grassroots exploration program of up to four wells to investigate the hydrocarbon potential of the Permian-age Betts Creek and Aramac Coal Measures present throughout the basin.

The program has been scheduled for completion by the end of the 2011 calendar year, weather and geology permitting, at an estimated total cost to the joint venture of $4 million. The data will then be collated and analysed to determine well locations for the next phase of drilling.

Successful results from the initial drilling program could lead to more than 40 stratigraphic holes being drilled across each tenement in the first four years to prove the extent of the resource and target the certification of gas reserves.

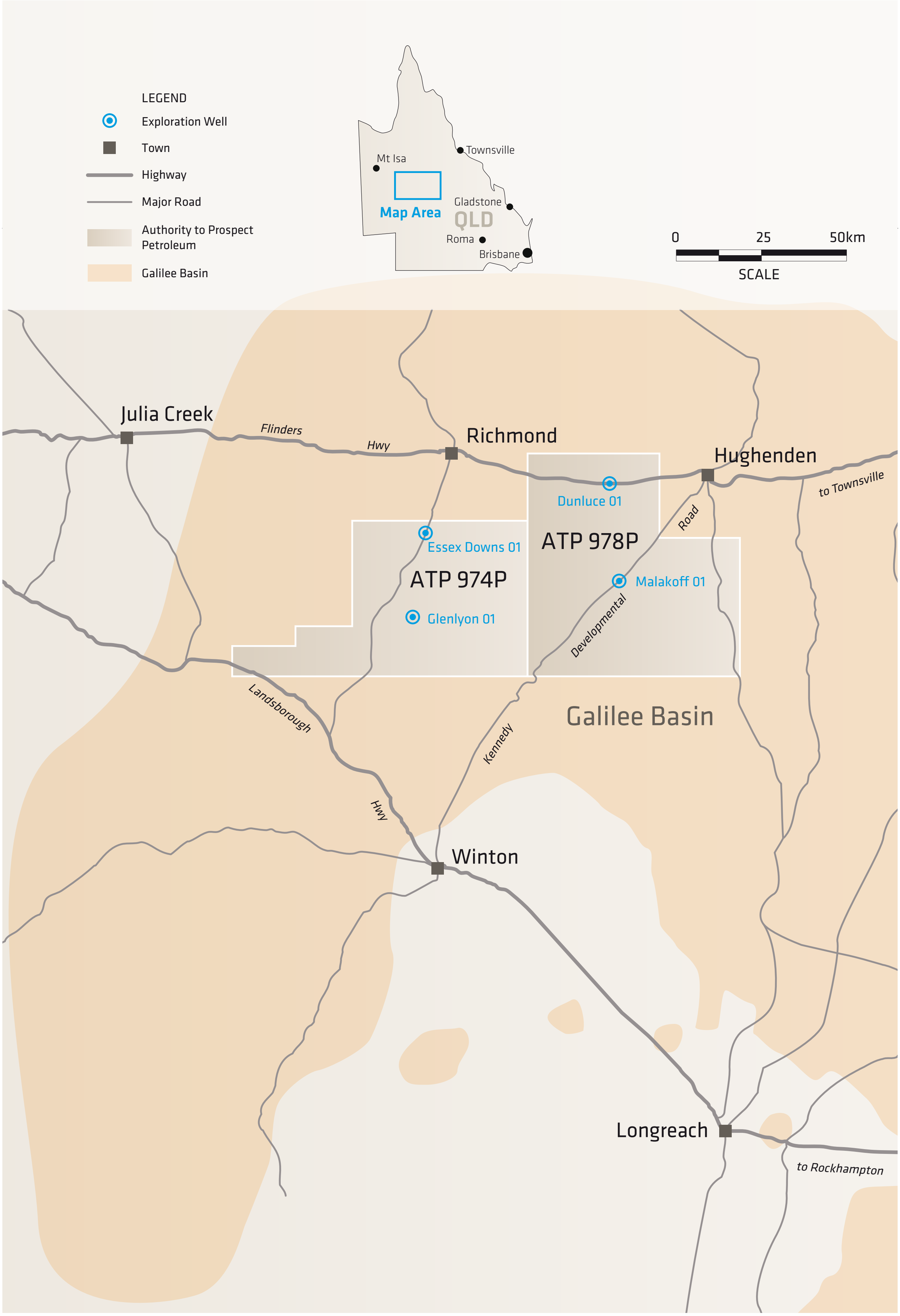
During the year WestSide executed a Cultural Heritage Investigation and Management Agreement with the Wanamara Aboriginal People, the Traditional Owners over part of ATP974P in the Galilee Basin. This follows development of a voluntary Cultural Heritage Management Plan (CHMP) with the Wanamara.

The Wanamara People's claim lies over the western side of ATP 974P. Westside is also negotiating with the Koa and Yirendali Aboriginal People to secure voluntary CHMP's over the remainder of the ATP974P and ATP978P.

The Galilee Basin continued to attract interest from Australian explorers and gas producers as well as from large international groups, with several exploration and appraisal projects now underway.

Establishment of a material CSG resource in the region could underwrite construction of pipeline infrastructure to markets in Mt Isa or on the Queensland coast.

WestSide believes the two tenements could contain up to 21 trillion cubic feet of gas in place (10.7 tcf net to WestSide) to depths of 1,050m and potentially more gas, subject to prospectivity, at greater depths.


LEGEND
Exploration Well
Town
Highway
Major Road
Authority to Prospect Petroleum
Galilee Basin
Mt Isa
Townsville
Map Area
Gladstone
QLD
Roma
Brisbane
0
25
50km
SCALE
Julia Creek
Flinders
Hwy
Richmond
Hughenden
to Townsville
Dunluce 01
Road
ATP 978P
Essex Downs 01
ATP 974P
Malakoff 01
Glenlyon 01
Developmental
Landsborough
Hwy
Kennedy
Galilee Basin
Winton
Longreach
to Rockhampton

FINANCE REPORT

"WestSide is well positioned to derive further value from its investment in Meridian SeamGas."

The year ended 30 June 2011 marks the year that WestSide joined the ranks of Australia's gas producers, during which the Company generated revenues from gas sales of $5.5 million.

The instantaneous transformation from a junior exploration company to Queensland's newest gas producer heralded a level of activity at the Meridian SeamGas gas fields not seen for several years.

In just 12 months WestSide and joint venturer Mitsui E&P Australia more than doubled the proved and probable gas reserves of the field and drilled new production wells expected to increase production by up to 6-7 TJ/day at their peak.

These results are the product of a $36.4 million joint venture investment in development and exploration activity (WestSide share $18.6m). While the production increase will be realised over time, WestSide's $5.7 million investment in the 10 well exploration program yielded immediate results, with 127 PJ (WestSide share) of 2P gas reserves added at a cost of less than $0.06 / GJ.

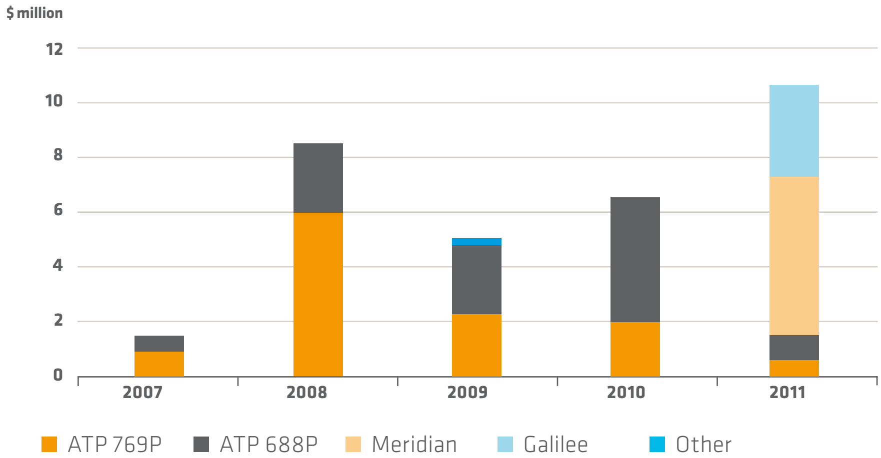
The acquisition of WestSide's 51% interest in the Meridian SeamGas joint venture was effective as of 1 July 2010, with the assets acquired at a fair value of $45.5 million, offset by liabilities of $16.0 million.

The net assets include plant, equipment and gas transmission infrastructure valued at $27.4 million and CSG gas field assets of $18 million, less a remedies provision of $11.5 million and a provision for future site rehabilitation costs of $4.5 million.

The provision for possible future remedies payable covers WestSide's total exposure, based on production levels in the second half of 2010, arising from the under-supply of gas to a customer pursuant to a gas supply contract assigned from the previous owners of the Meridian SeamGas field. Remedies of $3.2 million were paid during the year.

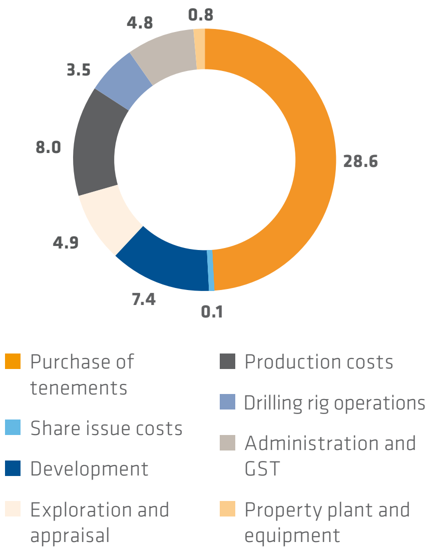
"The field's profitability is expected to increase markedly in future years with increased production and higher pricing."

Exploration expenditure 2011



Note: Galilee expenditure includes to acquisition costs

Applications of funds to 30 June 2011 ($ million)



The current contracted supply commitment is 25 TJ/d (full field). The Meridian SeamGas joint venture has implemented a range of programs to increase production to the contracted 25 TJ/d of gas per day by late 2012. Reaching this production target will not only significantly increase revenues, but provide an additional benefit by reducing the quantum of remedies payable.

Result for the period

WestSide's operating loss after income tax for the period was $9.4 million (2010: $2.5m).

The loss before depreciation and depletion charges and nominal finance charges was $3.2 million (2010 $2.3 million).

The return of the traditional wet season hampered efforts to remediate existing wells and delayed the commissioning of the new wells, adversely impacting gas production and sales quantities.

Before taking into account depreciation and depletion charges ($4.5m) and once-off transitional costs ($0.5m), the Meridian SeamGas operations produced a loss of $0.5 million in its transitional year. This was largely a factor of fixed operating costs relative to the low production volumes.

Meridian SeamGas is expected to return a profit before depreciation and depletion in the coming year and in future years the field's profitability is expected to increase markedly with increased production and higher pricing upon replacement of the existing gas supply contracts with new contracts calibrated to LNG markets from 2014.

WestSide's growth has resulted in a corresponding rise in administrative costs. With as many as four LNG projects now progressing in the region the challenge for the coming year will be to contain operational costs as competition for rescources and skilled staff intensifies.

Use of the dedicated Schramm TXD drilling rig has enabled WestSide to manage drilling costs to date. Transfer of the rig's ownership to WestSide in September 2011 has provided WestSide with control of a valuable asset and an opportunity to achieve further gains.

WestSide had cash reserves of $23 million as at 30 June 2011 and these will be further bolstered by the $13.2 million proceeds of Mitsui E&P Australia's acquisition of 49% of WestSide's interests in its Galilee and Bowen basin tenements.

WestSide is well positioned to derive further value from its investment in the Meridian SeamGas operations. Rising production and increased gas reserves will benefit from the expected upward trend in gas prices which Queensland's burgeoning LNG export industry promises to deliver.

DIRECTORS

Angus Karoll

Executive Chairman

Director since November 2005

Angus is the founding Director of WestSide Corporation Ltd 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.

John Clarke

Director

BCom, ACA

Director since May 2010

John is the Managing Director of Infrastructure Capital Group. John has extensive experience in the financing of infrastructure-related businesses and projects, including the Condamine Power Station (now owned by QGC) and Esperance Power Station and Pipeline in Western Australia.

John's previous experience includes merger and acquisitions in the New Zealand electricity industry, and more recently he was the CEO of Infratil Australia Ltd and Managing Director of HRL Morrison & Co Pty Ltd.

John is Chairman of Stadium Australia Group (ANZ Stadium) and a Director of leading infrastructure industry group Infrastructure Partnerships Australia, Gas Pipelines Vic Pty Ltd, Esperance Pipeline Co Pty Ltd, Esperance Power Station Pty Ltd, Stadium Investments Pty Ltd, Biodiesel Producers Ltd, Neerabup Power Station Holdings Pty Ltd and Ochre Services Ltd.

John has been a member of the Audit and Compliance Committee since July 2010 and chairs the Remuneration Committee.

Tony Gall

Director

FCA

Director since November 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 is also a member of the Remuneration Committee.

Trent Karoll

Director
BEc, FAICD
Director since August 2006

Director since August 2006

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

Trent has a strong financial and operations 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 more than 10 board positions in a variety of private companies.

Trent is a member of the Audit and Compliance Committee.

Nathan Mitchell

Director
Director since December 2008

Nathan was the Chief Executive Officer of Mitchell Drilling Corporation, overseeing its expansion prior to the sale of its Australian operations to Lucas Coal Technologies in 2008.

As the Chief Executive Officer of the privately-held Mitchell Energy Group, Nathan continues to manage international drilling operations.

Nathan has been involved with the research and development of drilling techniques in the coal seam gas industry.

Robert Neale

Director
BSc (Hons)
Director since May 2010

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

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

Over the past 15 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 Australian Coal Association.

MANAGEMENT

Dr Julie Beeby

Chief Executive Officer
BSc (Hons) Chemistry, PhD, MBA, GAICD

Joined WestSide in August 2010

Julie is a development and change management leader with 23 years' experience within Australia's resources sector, including senior coal, gas and chemicals business unit management and project management roles with Peabody Energy, Anglo and BHP Billiton.

Significantly, Julie managed and developed part of what now comprises the Meridian SeamGas CSG fields operated by WestSide, having acted as Manager Seamgas from 1999 to 2002 at the Moura Mine then operated under joint venture by Peabody and Mitsui.

Julie sits on the Board of Powerlink and was appointed a Queensland Resource Industry Ambassador in 2009. She is also a member of the Queensland Exploration Council.

Julie has also previously held positions on the boards of Australian Coal Association Low Emissions Technology Ltd, Australian Coal Research Ltd, Queensland Resources Council Ltd and CRC Mining (CMTE Development Ltd).

Simon Mewing

Chief Operating Officer
BE Chem (Hons)

Joined WestSide in 2008

Simon is a chemical engineer with almost 30 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 also employed by Santos for 6 years where he gained experience in exploration and production.

Damian Galvin

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

Joined WestSide in 2006

Damian is a Chartered Accountant with 18 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, 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 previous financial and commercial experience with Premier Oil Plc and Price Waterhouse.

Peter Dingle

Moura Area Manager

Joined WestSide in June 2010

Peter has 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.

Andrew Knight

Exploration Manager
BSc (Hons) Geology, MPESA, FAusIMM

Joined WestSide in April 2010

Andrew has more than 30 years' experience as a coal geologist in both the exploration and mining sectors in South Africa, New Zealand and Australia. Andrew has also worked as a consultant undertaking feasibility studies and due diligence on domestic and international projects.

Prior to joining WestSide, Andrew was Exploration Manager for Arrow Energy, initially managing the Bowen Basin program and latterly its NSW exploration activities. During this time, his responsibilities encompassed exploration planning, budget preparation and reconciliation, contractor and geological personnel management and QA/QC on field activities.

Garth Borgelt

Commercial Manager
MBA, FAIDC

Joined WestSide in April 2010

Garth has had a career spanning 26 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.

He has held directorships in several companies and is a Fellow of the Australian Institute of Company Directors.

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

Richard Owen

Investor & Community Relations Manager
BA (Journ), Dip Inv Rel (AIRA)

Joined WestSide in August 2010

Richard is a communications professional with more than 30 years' experience in business journalism, marketing and sales while working as an investor relations consultant and in the newspaper publishing, manufacturing and retail sectors.

Before joining WestSide in 2010, Richard headed the Financial and Investor Relations team at Queensland marketing communications firm Three Plus.

At Three Plus Richard, an experienced finance journalist and former News Limited business editor, provided high level communications advice to many private and publicly-listed companies with a special focus on energy and Coal Seam Gas.

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 -1990's and later worked for BHP Billiton on its evaluation program around Blackwater and Moranbah.

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's most valuable asset is undoubtedly its people. Significant growth during the past year saw WestSide's permanent workforce more than double from 18 to 48 full time staff. WestSide also relies on a range of outsourced services, providing the Company with the flexibility to access skilled specialist assistance while controlling costs and optimising productivity.

To continue growing though, WestSide needs to attract and retain good people.

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

WestSide's flat management structure and mid-scale size has also proved instrumental in attracting talented people seeking increased responsibilities and opportunities which 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.

Communities

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

When floods ravaged the central Queensland community of Theodore near Moura in January, WestSide and Meridian SeamGas joint venture partner Mitsui E&P Australia answered a call for help to restore the town's kindergarten playgrounds in time for the start of the school year.

The restoration work called for the supply of approximately 2,000 square metres of turf and some 50 cubic metres of sand for the play area sand pits. This was a meaningful way for WestSide and Mitsui E&P Australia to help the community of Theodore get back on its feet. WestSide and Mitsui E&P Australia, through Meridian SeamGas, have also sponsored community events in Moura such as the annual Coal and Country and Dawson River festivals.

When the Stamford Races and Community Fun Day organising committee sought sponsors for the event held annually near Hughenden in north-west Queensland, WestSide welcomed an opportunity to become involved with the community within its Galilee exploration tenements.

The Stamford Race Club's annual race day has been a fixture on the community social calendar within the Flinders Shire region since 1898. Damage to buildings caused by Cyclone Yasi and regulatory demands to upgrade the race track at significant cost threatened to end the Club's rich 113-year history in 2011. However, the community rallied to ensure this year's event was a resounding success and WestSide looks forward to a continuing involvement.

Traditional Owners

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

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

WestSide aims to enter into a voluntary Cultural Heritage Investigation and Management Agreement (CHIMA) with the Gangulu to enable the Company to address Aboriginal cultural heritage with a degree of certainty within a set statutory timeframe.

More importantly, the agreement will formalise 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.

An extensive Cultural Heritage Management Plan will be developed in consultation with the Traditional Owners in conjunction with any future Petroleum Lease application.

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

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

Landholders

The landholders in our operational areas typically have a long history of coal mining activity on or near their properties, sometimes spanning generations.

Their agricultural activities range from grazing to intensive cropping. WestSide's goal has been to work constructively and proactively with landholders to minimise the impact on their livelihood and lifestyle.

For example, well sites are selected in consultation with landowners. Access routes are also planned to minimise disruption to the local agricultural operations and, in many cases, improve the infrastructure available for use by landowners.

Meridian SeamGas, Australia's first producing CSG field, was established in the mid-1990's so surrounding landholders have had an opportunity to gain a great deal of experience operating alongside the industry.

WestSide continues to conduct its operations with a view to having a long and collaborative relationship with landowners and this commitment will be reflected as WestSide moves to further increase production from the Meridian SeamGas CSG fields through the addition of new wells.

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

Health and Safety

WestSide operations are conducted in line with the underlying philosophy that all occupational injury and harm is avoidable. Understandably, the integration of the Meridian SeamGas business greatly increased the extent and complexity of the Company's operational activities during the past year.

Members of the Company's operational team exerted considerable effort during the period implementing and enforcing site safety procedures for WestSide's employees, joint venture personnel and contractors.

WestSide's safety and emergency management policies and plans meet regulatory and community standards and remain a key focus of our operations team.

There were three reportable medical treatment incidents at WestSide operations during the year, one of which involved a lost time injury.

Environment

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

During the June quarter WestSide submitted the new Meridian SeamGas EMP to the Queensland Government's Department of Environment and Resource Management (DERM). A public consultation process associated with the new EMP was completed in May. Environmental Authority (EA) applications were also submitted to DERM for both Petroleum License PL94 and Pipeline License PPL26.

WestSide has been granted Environmental Authorities by the Queensland Government to conduct activities within ATP 688P and ATP 769P. Operations on these tenements have been conducted in accordance with these authorities.

The Company has also been granted Environmental Authorities to conduct exploration activities on its new Galilee Basin tenements ATP 974P and ATP 978P where operations commenced in late September 2011.

Over the past 12 months the CSG industry has witnessed additional Queensland Government initiatives to further strengthen the State's regulatory and compliance regime in response to public concerns about a range of safety and environmental issues.

WestSide has generally been supportive of these initiatives and worked closely with the Queensland Government to put in place monitoring and reporting systems to provide relevant operational information transparently and in a timely manner.

Development of the CSG sector has attracted significant opposition and criticism from some sections of the community during the past 12 months – much of it as a result of misinformation and/or a lack of awareness about the facts and technology employed.

Water has emerged as a significant issue for CSG producers in the Surat Basin to the far south of WestSide's Bowen Basin tenements.

However, the amount of water produced by Meridian SeamGas CSG operations is very low compared to the volumes associated with CSG extraction in the Surat Basin. WestSide anticipates any additional water generated as a result of the Meridian SeamGas fields' continued development may be taken by nearby users.

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 concern as well among 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.

Leading environmental consultancy RPS has been conducting the study and the final report will be presented to the Queensland Water Commission.

The GBOF membership has also been actively involved in briefing regional councils and unified local government organisations such as central western Queensland's Remote Area Planning and Development Board and the Mount Isa to Townsville Economic Zone on the water study and CSG exploration.

WestSide takes its obligations under the National Greenhouse and Energy Reporting (NGER) Act, seriously and during the year upgraded relevant systems and processes to accommodate the Company's expansion of operations and increased compliance requirements.

ANNUAL FINANCIAL REPORT

For the year ended 30 June 2011
WestSide Corporation Limited
ABN 74 117 145 516

CONTENTS

Directors' report

30 June 2011
WestSide Corporation Limited

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 2011.

Directors

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

Director	Ordinary Shares	Incentive Options
A Karoll (Chairman)	17,312,770	310,000
J Clarke	-	-
A Gall	448,000	300,000
T Karoll	340,000	200,000
N Mitchell	5,621,338	-
R Neale	-	-

The qualifications, experience and special responsibilities of the Directors and Company Secretary are shown on pages 26 to 28 of the Annual Report.

Directorships of listed companies

Mr R Neale is a Director of New Hope Corporation Limited and Planet Gas Limited. No other Director has been a Director of other listed companies at any time in the three years before 30 June 2011.

Principal activities

During the year the principal continuing activities of the Group consisted of the production of coal seam gas and the exploration and appraisal for coal seam gas in the Bowen Basin in central Queensland.

Dividends

During the financial year, no amounts have been paid or declared by way of dividend (2010: 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.

Review of operations

Information on the operations and financial position of the Group and its business strategies and prospects is set out on pages 5 – 25 of this Annual Report.

The operating loss after income tax for the Group amounted to $9,373,687 (2010: $2,462,687).

Significant changes in the state of affairs

In July 2010, WestSide completed the acquisition of the Dawson Seamgas (subsequently renamed Meridian SeamGas) gas fields in Queensland's Bowen Basin, providing the Group with its first gas sale revenues. Activities during the year focussed on drilling new production wells in the field and in proving-up an additional 127 Petajoules of Proved and Probable gas reserves through exploration activities.

The acquisition of two new exploration tenements through an agreement to acquire Nazara Energy Pty Ltd was settled during the year and agreement was reached to sell-down 49% of these tenements.

Matters subsequent to the end of the financial year

Disposal of interests in exploration tenements

On 1 August 2011, the Group disposed of a 49% interest in each of ATP 974P and ATP 978P, receiving $1,724,576 as consideration.

Vesting and lapsing of employee performance rights

In August 2011, 389,150 employee performance rights lapsed as a result of vesting conditions not being satisfied and 173,550 unquoted ordinary shares were issued upon the vesting of performance rights.

Disposal of interests in Indonesia

On 16 September 2011 the Group completed the sale of its interests in Indonesia, receiving plant and equipment as consideration.

No other matter or circumstance has arisen since 30 June 2011 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.

Likely developments and expected results of operations

Likely developments in the operations of the Group are described in the Annual Report on page 14.

Further information on likely developments in the operations of the Group and the expected results of operations have not been included in this annual financial report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation

Both State and Federal laws regulate the entity's environmental obligations. The Department of Environment and Resource Management 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. With the exception of three minor inadvertent breaches relating to discharges of coal seam gas associated water at the Meridian SeamGas gas field, the Group operated in full compliance with all local and state legislation governing the environmental management of its gas exploration, production and transport activities during 2011. The discharges related to the unusually high rainfall events experienced during the 2011 wet season, and the Group conducted environmental investigations with the Department of Environment and Resource Management which confirmed that there were no significant environmental impacts. No Government agency has notified the Company of any environmental breaches during the period ended 30 June 2011. Further information is presented at page 32 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.

Meetings 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 2011, and the numbers of meetings attended by each Director were:

Director	Board meetings		Audit and Compliance Committee meetings	
	A	H	A	H
A Karoll	11	11	*	*
J Clarke	10	11	2	2
A Gall	11	11	2	2
T Karoll	11	11	2	2
N Mitchell	8	11	*	*
R Neale	10	11	*	*

* Not a member of the relevant Committee.
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.

Retirement, election and continuation in office of Directors

Mr A Karoll and Mr N Mitchell 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 $45,000 pa, with an additional $5,000 pa payable for Committee members. The Chairman, while acting in a combined CEO role (to 30 August 2010) received $45,000 pa in addition to the CEO remuneration.

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 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 focused 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 may be 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.

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 (up to three years in the case of Incentive Options issued since 2007) 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.

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 development programs.

The Company's performance during the year ended 30 June 2011 was focussed on development and exploration activity at the newly-acquired Meridian SeamGas gas fields in central Queensland. WestSide recorded its first ever gas sale revenues and drilled several new production wells which are expected to generate additional gas sales revenues in future periods. Considerable value has been added to the Company's assets during the year, with a successful exploration program resulting in the Group's Proved and Probable gas reserves increasing by 132% to 221 Petajoules.

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 30% 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 50% and 100% of their maximum entitlement, depending on individual performance.

Difficult trading conditions in global and domestic share markets during the year have contributed to a decline in the Company's share price over the period.

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) and specified executives 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.

2011	Short-term employee benefits	Post-employment benefits	
Name	Cash salary / fees $	Superannuation $	Total $
J Clarke[1]	49,583	-	49,583
A Gall	45,872	4,128	50,000
T Karoll	45,872	4,128	50,000
N Mitchell	41,284	3,716	45,000
R Neale	47,209	4,249	51,458
Total 2011	**229,820**	**16,221**	**246,041**

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

2010	Short-term employee benefits	Post-employment benefits	Share-based payments	
Name	Cash salary / fees $	Superannuation $	Options[1] $	Total $
J Clarke[2]	4,243	-	-	4,243
A Gall	45,872	4,128	24,321	74,321
T Karoll	45,872	4,128	17,931	67,931
N Mitchell	41,284	3,716	-	45,000
R Neale[3]	3,893	350	-	4,243
Total 2010	**141,164**	**12,322**	**42,252**	**195,738**

(1) Full details of Incentive Options are set out later in this report in section C (Details of remuneration of Directors and other key management personnel).
(2) Director's fees for Mr J Clarke are paid to Infrastructure Capital Group Limited. Mr Clarke was appointed as Director on 28 May 2010.
(3) Mr Neale was appointed as Director on 28 May 2010.

Directors' report – Remuneration report (cont'd)

30 June 2011
WestSide Corporation Limited

Remuneration of Other Key Management Personnel

Details of the remuneration of each of the Company's and Group's key management personnel, excluding Non-executive Directors whose remuneration is disclosed above, for the year ended 30 June 2011 are set out in the following table. This includes all of the executives of the Company and Group.

2011		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	217,393	150,000	5,511	19,565	6	-	392,475
Other key management personnel								
J Beeby	From 30 August 2010	277,538	-	5,888	24,978	-	113,339	421,743
G Borgelt	From 1 November 2010	151,333	14,200	-	13,620	-	4,498	183,651
P Dingle	Full year	217,502	17,700	27,500	19,575	-	18,160	300,437
D Galvin	Full year	224,449	19,900	6,650	21,119	6,704	51,858	330,680
A Knight	Full year	194,813	23,000	-	44,349	-	32,814	294,976
S Mewing	Full year	289,630	25,000	6,483	26,067	44,324	62,105	453,609
Other Group executives								
K Potter[2]	Full year	137,486	-	105,569	-	18,182	-	261,237
Total 2011		**1,710,144**	**249,800**	**157,601**	**169,273**	**69,216**	**282,774**	**2,638,808**

(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).
(2) Mr K Potter is employed by PT Seamgas Indonesia, the joint venture entity in which WestSide Corporation Limited has a 50% interest. His short term employee benefits are disclosed at 50% of their actual value being WestSide's contribution to these costs.

2010		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[2]	293,935	-	30,500	26,427	25,046	-	375,908
Other key management personnel								
P Dingle	From 21 June 2010	6,493	-	-	584	-	598	7,675
D Galvin	Full year	184,521	25,393	5,000	25,190	37,365	15,030	292,499
A Knight	From 19 April 2010	26,817	-	-	22,414	-	8,487	57,718
S Mewing	Full year	263,300	36,234	5,000	26,958	33,154	18,485	383,131
Other Group executives								
K Potter[3]	Full year	141,555	-	118,959	-	15,923	-	276,437
Total 2010		**916,621**	**61,627**	**159,459**	**101,573**	**111,488**	**42,600**	**1,393,368**

(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). Where Option exercise prices were altered during the year, the remuneration attributable to Options above includes the increase in the fair value of the Options as set out in more detail in section D (Share based remuneration).
(2) A Karoll, acted in an executive role as the Company's Chairman and Acting Chief Executive Officer for the full year. Mr Karoll's cash salary includes $41,284 of Directors' fees in respect of his position as Chairman and $252,351 in respect of his executive role.
(3) Mr K Potter is employed by PT Seamgas Indonesia, the joint venture entity in which WestSide Corporation Limited has a 50% interest. His short term employee benefits are disclosed at 50% of their actual value being WestSide's contribution to these costs.

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 and the Chairman's fees are $45,000 pa, inclusive of compulsory superannuation where applicable. Committee members receive an additional $5,000 pa. There are no termination payments applicable.

Directors who held positions during the process of raising capital from cornerstone investors and from the Initial Public Offering in the year ended 30 June 2007 received Incentive Options. Further details are set out in section D of this report (Share-based compensation).

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 Incentive Options. Subsidised 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.

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

A Karoll, Chairman

- Chairman and Acting Chief Executive Officer until 30 August 2010 – remuneration package $276,750 per annum and an allowance of $500 per week as compensation for living away from home whilst performing his duties.
- Chairman from 30 August 2010 - remuneration package of $220,000 per annum.
- Cash bonus of $150,000 awarded in recognition of personal contribution to the successful bid, financing and completion of the acquisition of the Meridian SeamGas gas fields.

J Beeby, Chief Executive Officer

- Commenced 30 August 2010.
- Base remuneration package, inclusive of superannuation of $359,700 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 712,700 Performance Rights. Of these, 400,000 will vest after 31 December 2012 if still employed at that time and up to 312,700 will vest after 30 June 2011 dependent on the employee satisfying various vesting conditions tied to overall personal performance and general company performance. In August 2011, 173,550 Performance Rights vested into ordinary shares and 139,150 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

- Commenced 1 November 2010.
- Base remuneration package, inclusive of superannuation of $247,430 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 2011. In recognition of performance during the year, 64% of the bonus was awarded, resulting in payment of a bonus of $14,200 in September 2011.
- Grant of 180,000 Performance Rights which will vest after 31 December 2014 if still employed at that time. 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 $230,000 per annum, reviewed annually and a $2,500 per month allowance for living away from home whilst performing his duties (from August 2010).
- 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 2011. In recognition of performance during the year, 51% of the bonus was awarded, resulting in payment of a bonus of $17,700 in September 2011.
- Grant of 80,000 Performance Rights which will vest after 31 December 2014 if still employed at that time. Further details of Performance Rights granted are set out in section D of this report (Share-based compensation).

D Galvin, Chief Financial Officer and Company Secretary

- Base remuneration package, inclusive of superannuation of $237,664 per annum to 30 November 2010 and then $251,220 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 2011. In recognition of performance during the year, 57.5% of the bonus was awarded, resulting in payment of a bonus of $19,900 in September 2011.
- Grant of 100,000 Performance Rights which will vest after 31 December 2014 if still employed at that time. Further details of Performance Rights granted are set out in section D of this report (Share-based compensation).

A Knight, Exploration Manager

- Base remuneration package, inclusive of superannuation of $240,000 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, 64% of the bonus was awarded, resulting in payment of a cash bonus of $23,000 in September 2011.
- Grant of 80,000 Performance Rights which will vest after 31 December 2014 if still employed at that time. Further details of Performance Rights granted are set out in section D of this report (Share-based compensation).

S Mewing, Chief Operating Officer

- Fixed term of three years ending 13 October 2011, then no fixed term.
- Base remuneration package, inclusive of superannuation of $315,697 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, 57.5% of the bonus was awarded, resulting in payment of a cash bonus of $25,000 in September 2011.
- Grant of 100,000 Performance Rights which will vest after 31 December 2014 if still employed at that time. Further details of Performance Rights granted are set out in section D of this report (Share-based compensation).

K Potter, President Director – PT Seamgas Indonesia

- Fixed term employment agreement of three years ending 30 June 2011. The agreement was not renewed.
- Mr Potter is seconded to joint venture entity, PT Seamgas Indonesia (PTSI).
- The base remuneration package of USD $228,264 pa is paid by PTSI. Annual remuneration review with minimum increase equal to CPI. PTSI also provides a number of benefits to Mr Potter consistent with his expatriate status in Indonesia: living expenses including accommodation, motor vehicle and utilities to a maximum of USD $6,000 per month; school fees up to USD $20,000 per child per annum; and an annual home leave travel allowance of USD $18,000.

D Share based compensation

Options

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 are determined using a Black-Scholes–Merton option pricing model that takes into account the exercise price, expected 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 expected term of the option.

No incentive Options were granted by WestSide Corporation Ltd to Key Management Personnel during the year under the WestSide Director and Employee Incentive Option Plan.

The Incentive Options cannot be exercised until their vesting date, and must be exercised before their expiry date. Incentive Options lapse 90 days after an employee/contractor ceases to be engaged by the Company except as indicated below. If, during the life of the Incentive Options, the Company makes a bonus issue to its shareholders, the option holder will be entitled, upon later exercise of that option, to receive additional shares as if the option holder had exercised the option prior to the record date for the bonus issue. The rights of option holders will also be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital. The Board retains the discretion to waive exercise conditions including where there is a change of control of the Company.

The terms and conditions of each grant of options affecting remuneration in the previous, this 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	$0.3614	$0.284	After 10 January 2010(1)
27 February 2007	10 January 2013	$0.3614	$0.205	After 10 January 2010(1)
18 April 2007	10 January 2013	$0.3614	$0.195	After 10 January 2010(1)
26 July 2007	30 June 2012	$0.7714	$0.372	After 1 July 2010(2)
14 November 2007	30 June 2012	$0.7714	$0.2015	After 1 July 2010(2)
2 May 2008	30 June 2013	$0.4999	$0.184	After 1 July 2011
24 July 2008	30 June 2013	$0.4999	$0.313	After 1 July 2011
25 September 2008	29 June 2013	$0.3614	$0.292	After 1 July 2011
18 December 2008	29 June 2013	$0.3614	$0.162	After 1 July 2011
29 January 2010	30 June 2013	$0.4999	$0.186	After 1 July 2011

(1) These options vested during the previous financial year.
(2) These options vested during the financial year.

The fair value of options granted are 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 five year 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).

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. When exercisable, each option is convertible into one ordinary share of WestSide Corporation Limited. Further information on the options is set out in Note 16(e) to the financial statements.

	Number of options granted during the year		Number of options which vested during the year	
Name	**2011**	2010	**2011**	2010
Directors of WestSide Corporation Ltd				
A Karoll	**-**	-	**10,000**	300,000
T Gall	**-**	-	**-**	300,000
T Karoll	**-**	-	**-**	200,000
Other key management personnel of the Group				
D Galvin	**-**	-	**45,000**	300,000
Other Group executives				
K Potter	**-**	100,000	**-**	-

Alteration of Incentive Option terms in previous year

On 28 May 2010 the exercise price of all Incentive Options on issue were altered in accordance with ASX Listing Rules as a result of the 1:1 entitlements issue of new shares. The market value of a share in the Company on 28 May 2010 was 44 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:

2010	Number 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	$0.91	$0.50	$0.50	$0.638	
New exercise price	$0.7714	$0.3614	$0.3614	$0.4999	
	Number	Number	Number	Number	$
Directors of WestSide Corporation Ltd					
A Karoll	10,000	300,000	-	-	13,575
A Gall	-	300,000	-	-	13,425
T Karoll	-	200,000	-	-	8,950
Other key management personnel					
D Galvin	45,000	300,000	-	62,000	16,093
S Mewing	-	-	300,000	-	13,425
K Potter	-	-	-	400,000	12,860

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 new plan is designed to align the performance of employees with that 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 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 Ltd, 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.

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	Expiry date	Value per right at grant date	Vesting conditions
29 March 2010	31 December 2011	$0.54	(1)
29 March 2010	31 December 2013	$0.54	(2)
5 March 2010	31 December 2011	$0.475	(1)
5 March 2010	31 December 2013	$0.475	(2)
11 May 2010	31 December 2011	$0.53	(1)
11 May 2010	31 December 2013	$0.53	(2)
15 July 2010	31 December 2013	$0.45	(2)
15 July 2010	30 June 2012	$0.45	(3)
28 September 2010	31 December 2015	$0.415	(4)
24 February 2011	31 December 2015	$0.34	(4)

(1) Vest after 31 December 2010 to participants employed at that time, at the discretion of the Board after considering company and personal performance to 31 December 2010.
(2) Vest after 31 December 2012 if the participant is employed at that date.
(3) Vest after 30 June 2011 if the participant is employed at that time, at the discretion of the Board after considering company and personal performance to 30 June 2011.
(4) Vest after 31 December 2014 if the participant is employed at that date.

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. When the vesting conditions are satisfied, each Performance Right is convertible into one ordinary share of WestSide Corporation Limited. Further information on the Performance Rights is set out in Note 16(f) to the financial statements.

	Number of Performance Rights granted during the year		Number of Performance Rights which vested during the year and were converted into ordinary shares(1)		Number of Performance Rights which lapsed during the year due to non-satisfaction of vesting conditions	
Name	**2011**	2010	**2011**	2010	**2011**	2010
Other key management personnel of the Group						
J Beeby	**712,700**	-	**-**	-	**-**	-
P Dingle	**80,000**	110,000	**15,300**	-	**14,700**	-
D Galvin	**100,000**	410,000	**33,600**	-	**26,400**	-
A Knight	**80,000**	270,000	**35,700**	-	**34,300**	-
S Mewing	**100,000**	483,000	**46,480**	-	**36,520**	-

(1) Each Performance Right was converted into one ordinary share. The value of each ordinary share at vesting date was 36 cents.

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:

2011	Cash bonus		Incentive Options and Performance Rights(1)					
Name	Paid %	Forfeited %	Proportion of remuneration consisting of options/rights(3) %	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(2) $	Value of options/ rights at grant date(4) $
Directors of WestSide Corporation Ltd								
A Gall	-	-	-	2007	-	2010	-	85,200
A Karoll	100	-	-	2008	-	2011	-	2,015
				2007	-	2010	-	85,200
T Karoll	-	-	-	2007	-	2010	-	56,800
Other key management personnel								
J Beeby	-	-	27	2011	-	2013	144,759	180,000
				2011	-	2012	62,618	140,715
G Borgelt	64	36	2	2011	-	2015	64,202	68,700
P Dingle	51	49	6	2011	-	2015	25,990	27,200
				2010	-	2013	32,961	42,400
				2010	51 / 49	2011	-	15,900

Continued next page

2011	Cash bonus		Incentive Options and Performance Rights[1]					
Name	Paid %	Forfeited %	Proportion of remuneration consisting of options/rights[3] %	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[2] $	Value of options/ rights at grant date[4] $
D Galvin	57.5	42.5	18	2011	-	2015	32,488	34,000
				2010	-	2013	141,769	189,000
				2010	56 / 44	2011	-	32,400
				2009	-	2012	18	19,406
				2008	-	2011	-	16,740
				2007	-	2010	-	85,200
A Knight	64	36	11	2011	-	2015	25,990	27,200
				2010	-	2013	71,866	95,000
				2010	51 / 49	2011	-	33,250
S Mewing	57.5	42.5	23	2011	-	2015	32,488	34,000
				2010	-	2013	162,021	216,000
				2010	56 / 44	2011	-	44,820
				2009	-	2012	121	87,000
Other Group executives								
K Potter	-	-	7	2010	-	2012	25	18,600
				2009	-	2012	75	55,200

Notes
(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 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.
(3) 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 2011.
(4) The value at grant date is calculated as described in section D (Share-based Compensation).

2010	Cash bonus		Incentive Options and Performance Rights[1]					
Name	Paid %	Forfeited %	Proportion of remuneration consisting of options/rights[3] %	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[2] $	Value of options/ rights at grant date[4] $
Directors of WestSide Corporation Ltd								
A Gall	-	-	33	2007	-	2010	-	85,200
A Karoll	-	-	7	2008	-	2011	6	2,015
				2007	-	2010	-	85,200
T Karoll	-	-	26	2007	-	2010	-	56,800
Other key management personnel								
P Dingle	-	-	8	2010	-	2013	42,173	42,400
				2010	-	2011	15,529	15,900
D Galvin	100	-	18	2010	-	2013	179,409	189,000
				2010	-	2011	26,961	32,400
				2009	-	2012	6,690	19,406
				2008	-	2011	32	16,740
				2007	-	2010	-	85,200

Continued next page

2010	Cash bonus		Incentive Options and Performance Rights[1]					
Name	Paid %	Forfeited %	Proportion of remuneration consisting of options/rights[3] %	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[2] $	Value of options/ rights at grant date[4] $
A Knight	-	-	-	2010	-	2013	91,188	95,000
				2010	-	2011	28,574	33,250
S Mewing	100	-	13	2010	-	2013	205,039	216,000
				2010	-	2011	37,296	44,820
				2009	-	2012	44,446	87,000
Other Group executives								
K Potter	-	-	7	2010	-	2012	9,166	18,600
				2009	-	2012	27,298	55,200

Notes

(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 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.
(3) 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 2010.
(4) The value at grant date is calculated as described in section D (Share-based Compensation).

Shares under option

Unissued ordinary shares of WestSide Corporation Ltd under option at the date of this report are as follows:

Date options issued	Vesting date	Expiry date	Issue price of shares	Number under option	Note
16 November 2006	10 January 2010	10 January 2013	$0.3614	1,100,000	(i)
10 May 2007	10 January 2010	10 January 2013	$0.3614	140,000	(i)
28 August 2007	1 July 2010	30 June 2012	$0.7714	60,000	(i)
14 November 2007	1 July 2010	30 June 2012	$0.7714	10,000	(i)
25 August 2008	1 July 2011	30 June 2013	$0.4999	62,000	(i)
25 August 2008	1 July 2011	30 June 2013	$0.4999	300,000	(ii)
19 May 2009	1 July 2011	29 June 2013	$0.3614	300,000	(i)
29 January 2010	1 July 2011	30 June 2013	$0.4999	100,000	(ii)

(i) Incentive Options: The Incentive Options cannot be exercised until their vesting date, and must be exercised before their expiry date. All Incentive Options lapse 90 days after an employee/contractor ceases to be engaged by the Company. If, during the life of the Incentive Options, the Company makes a bonus issue to its shareholders, the option holder will be entitled, upon later exercise of that option, to receive additional shares as if the option holder had exercised the option prior to the record date for the bonus issue. The rights of option holders will also be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital. The Board retains the discretion to waive exercise conditions including where there is a change of control of the Company.
(ii) Incentive Options: The Incentive Options cannot be exercised until their vesting date, and must be exercised before their expiry date. All Incentive Options lapse 90 days after an employee ceases to be engaged by the Company where employment was terminated by way of summary dismissal. If, during the life of the Incentive Options, the Company makes a bonus issue to its shareholders, the option holder will be entitled, upon later exercise of that option, to receive additional shares as if the option holder had exercised the option prior to the record date for the bonus issue. The rights of option holders will also be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital. The Board retains the discretion to waive exercise conditions including where there is a change of control of the Company.

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 48.

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 2011 $	Consolidated 2010 $
Taxation services		
Taxation compliance	**20,000**	8,000
Taxation advice	**27,000**	28,132
R&D Tax advice	**43,953**	13,369
GST advice	**7,785**	32,236
Total remuneration for taxation services	**98,738**	81,737
Other services		
Advice on potential business acquisitions	**131,247**	-
Review of accounting treatment of specific transactions	**6,000**	17,000
The following fees were paid or payable for services provided by related practices of PricewaterhouseCoopers Australian firm:		
Other services		
Advice on Meridian SeamGas acquisition	**950,000**	45,082
Total remuneration for non-audit services	**1,185,985**	143,819

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.

Angus Karoll
Director

Brisbane, 26 September 2011

Auditor's Independence Declaration

As lead auditor for the audit of WestSide Corporation Limited for the year ended 30 June 2011, 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.

Brett Delaney
Partner

PricewaterhouseCoopers

Brisbane, 26 September 2011

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T 61 7 3257 5000, F +61 3257 5999, www.pwc.com.au

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2011
WestSide Corporation Limited

		Consolidated	
	Notes	**2011 $'000**	2010 $'000
Revenue from continuing operations	3(a)	**12,063**	3,242
Other income	3(b)	**34**	7
Total income		**12,097**	3,249
Expenses	4		
Employment		**(5,309)**	(1,958)
Depreciation and depletion		**(4,818)**	(102)
Operating costs and consumables – drilling rig		**(3,703)**	(1,656)
Operating costs and consumables – gas field		**(2,083)**	-
Other operations and administration		**(1,372)**	(694)
Accounting, legal and compliance		**(877)**	(509)
Gas purchases		**(720)**	-
Occupancy		**(660)**	(448)
Gas supply remedy charge		**(225)**	-
Share of net losses of joint venture entity		**(319)**	(313)
Finance costs		**(1,385)**	(32)
Total expenses		**(21,471)**	(5,712)
Loss before income tax		**(9,374)**	(2,463)
Income tax expense	5	**-**	-
Loss after income tax attributable to the owners of WestSide Corporation Ltd		**(9,374)**	(2,463)
Other comprehensive income			
Exchange differences on translation of foreign subsidiaries		**1**	1
Total comprehensive loss for the year attributable to the owners of WestSide Corporation Ltd		**(9,373)**	(2,462)

		2011 Cents	2010 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	**(3.71)**	(1.92)
Loss per share for loss attributable to the ordinary equity holders of the Company:			
Basic and diluted earnings per share	24	**(3.71)**	(1.92)

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

Consolidated Balance Sheet

As at 30 June 2011
WestSide Corporation Limited

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000
ASSETS			
Current assets			
Cash and cash equivalents	6	**23,053**	73,794
Trade and other receivables	7	**2,867**	4,056
Inventories	8	**2,261**	706
Total current assets		**28,181**	78,556
Non-current assets			
Gas field assets	10(a)	**58,176**	-
Property, plant and equipment	10(b)	**2,716**	1,787
Intangible assets – exploration and evaluation costs	11	**27,286**	22,786
Other	9	**3,636**	4,626
Total non-current assets		**91,814**	29,199
Total assets		**119,995**	107,755
LIABILITIES			
Current liabilities			
Trade and other payables	12	**9,576**	5,760
Borrowings	13	**20**	19
Provisions	15(a)	**3,276**	234
Total current liabilities		**12,872**	6,013
Non-current liabilities			
Borrowings	14	**15**	35
Provisions	15(b)	**12,284**	998
Total non-current liabilities		**12,299**	1,033
Total liabilities		**25,171**	7,046
Net assets		**94,824**	100,709
EQUITY			
Contributed equity	16	**110,479**	107,316
Reserves	17(a)	**974**	648
Accumulated losses	17 (b)	**(16,629)**	(7,255)
Total equity		**94,824**	100,709

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

Statement of Changes in Equity

For the year ended 30 June 2011
WestSide Corporation Limited

	Notes	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Total $'000
Balance at 1 July 2009		45,266	392	(4,792)	40,866
Loss for the year		-	-	(2,463)	(2,463)
Other comprehensive income for the year		-	1	-	1
Total comprehensive income for the year to 30 June 2010		**-**	**1**	**(2,463)**	**(2,462)**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	16(c)	62,027	-	-	62,027
Employee shares issued	16(c)	23	-	-	23
Employee share options	17(a)	-	178	-	178
Employee performance rights	17(a)	-	77	-	77
Balance at 30 June 2010		**107,316**	**648**	**(7,255)**	**100,709**
Loss for the year		-	-	(9,374)	(9,374)
Other comprehensive income for the year		-	1	-	1
Total comprehensive income for the year to 30 June 2011		**-**	**1**	**(9,374)**	**(9,373)**
Transactions with owners in their capacity as owners:					
Contributions of equity net of transaction costs	16(c)	3,018	-	-	3,018
Employee share options	17(a)	-	59	-	59
Employee performance rights	17(a)	145	266	-	411
Balance at 30 June 2011		**110,479**	**974**	**(16,629)**	**94,824**

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

Cash Flow Statement

For the year ended 30 June 2011
WestSide Corporation Limited

	Notes	Consolidated 2011 $'000	Consolidated 2010 $'000
Cash flows from operating activities			
Receipts from customers		**5,074**	-
Receipts of refunds of goods and services tax		**3,983**	1,642
Payments to suppliers and employees (inclusive of goods and services tax)		**(25,716)**	(8,437)
Interest received		**2,243**	1,207
Interest paid		**(9)**	(5)
Net cash outflow from operating activities	6(a)	**(14,425)**	(5,593)
Cash flows from investing activities			
Receipts from joint venture participants (inclusive of Goods and Services Tax)		**27,549**	6,466
Payments for acquisition of joint venture assets and liabilities		**(28,696)**	(781)
Payments for development work in progress		**(19,345)**	-
Payments for exploration and evaluation		**(14,867)**	(11,315)
Payments for property, plant and equipment		**(824)**	(1,360)
Proceeds from sale of property, plant and equipment		**52**	-
Investment in joint venture entities		**(43)**	-
Net cash outflow from investing activities		**(36,174)**	(6,990)
Cash flows from financing activities			
Proceeds from issues of shares		**-**	64,375
Payments of share issue costs		**(124)**	(2,205)
Repayment of borrowings		**(19)**	(18)
Net cash (outflow) / inflow from financing activities		**(143)**	62,152
Net (decrease) / increase in cash and cash equivalents		**(50,742)**	49,569
Cash and cash equivalents at the beginning of the financial year		**73,794**	24,225
Effects of exchange rate changes on cash and cash equivalents		**1**	-
Cash and cash equivalents at end of year	6	**23,053**	73,794

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

Notes to the financial statements

30 June 2011
WestSide Corporation Limited

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. 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 4 to 32 and in the Directors' Report on pages 34 to 47, 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 26 September 2011. 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, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Going concern

The Directors acknowledge that for the Company to fund its planned exploration and appraisal programs it will be necessary to raise additional capital. At the date of this report, the Company was awaiting settlement of the sale of 49% of the Group's interests in ATP688P and ATP769P. The Directors are confident that this sale will settle in early October 2011, raising $11.5 million for the Group. Accordingly the financial report has been prepared on a going concern basis. At this time, 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 2011.

Compliance with IFRS

The consolidated financial statements and notes of the WestSide Corporation Ltd 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 (including derivative instruments) at fair value through profit or loss and certain classes of property, plant and equipment where relevant.

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 2011 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 consolidated Statement of Comprehensive Income 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.

Joint venture entities

Interests in jointly-owned companies are accounted for in the consolidated financial statements using the equity method. Under the equity method, the share of the profits or losses of jointly-owned companies are recognised in the Statement of Comprehensive Income, and the share of movements in reserves is recognised in reserves in the Balance Sheet. The cumulative profits, losses and reserves movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture entity equals or exceeds the cost of its investment in the joint venture entity, including any other long-term unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture entity. Further details of jointly-owned companies are set out in Note 19.

Profits or losses on transactions with the joint venture are eliminated to the extent of the Group's ownership interest until such time that they are realised by the joint venture on consumption or sale unless they relate to an unrealised loss that provides evidence of the impairment of an asset transferred.

(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 Comprehensive Income. Subsequent recoveries of amounts previously written-off are credited against expenses in the Statement of Comprehensive Income.

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.

(e) Exploration, evaluation, development and restoration costs

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.

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 Basin in Queensland, and each is generally defined by tenement permit boundaries. The Company's interests in tenements is set out on page 96 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" (includes costs 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 (1P) gas reserves relating to the area of interest. The depletion charge will amortise the written-down cost of carried-forward gas field producing assets in that area of interest over the total 1P 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.

(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.

(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 Comprehensive Income.

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	2-14 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 twelve 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.

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 Ordinary Shares, 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 shares are issued, options 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 Ordinary Shares, 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 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 liabilities 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.

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 Comprehensive Income, 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 Comprehensive Income 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:

(i) 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.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

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 Comprehensive Income. Impairment losses recognised through the Statement of Comprehensive Income 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 fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined using a variety of valuation techniques and assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, and binomial option valuation models are used to determine fair value for the remaining financial instruments. The fair value of forward exchange contracts is determined using market exchange rates and published forward margins at the balance sheet date.

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, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(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.

(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 Comprehensive Income on a straight-line basis over the life of the lease.

(t) 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.

(u) 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.

(v) 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.

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.

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.

(w) New accounting standards and UIG interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2011 reporting period. The Group's assessment of the impact of these new standards and interpretations is set out below.

Reference	Description	Applicable from*	Impact on financial report
AASB 2009-11 / AASB 9	New Accounting Standard AASB 9 Financial Instruments addresses the classification and measurement of financial assets	1/1/2013	(2)
AASB 2009-12	Revision to AASB 124 Related Party Disclosures	1/1/2011	(1)
AASB 2009-14	Amendment to Australian Interpretation – Prepayments of a Minimum Funding Requirement	1/1/2011	(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 2010-4	Amendments to Accounting Standards arising from the annual improvements project	1/1/2011	(2)
AASB 2010-6	Revision to AASB 7 Financial Instruments - Additional disclosures of risk exposures arising from transfers of financial assets	1/7/2011	(2)
AASB 2010-7	Revision to AASB 9 Financial Instruments	1/1/2013	(2)
AASB 2010-8	Revision to AASB 112 Deferred tax: Recovery of underlying assets – amendment to the measurement of deferred tax assets and liabilities arising from investment properties	1/1/2012	(2)
AASB 2011-1 / AASB 1054	New Accounting Standard AASB 1054 Australian Additional Disclosures	1/7/2011	(1)
AASB 2011-4	Amendments to Australian Accounting Standards to remove some individual key management personnel disclosure requirements	1/7/2013	(1)
AASB 2011-5 and AASB 2011-6	Revisions to Australian Accounting Standards to provide relief from consolidation and the equity method for certain entities	1/7/2011 1/7/2013	(2)
AASB 2011-7 / 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	(1)
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	(2)
AASB 2011-9	Revision to Accounting Standard AASB 101 Presentation of Financial Statements – amending the disclosure of other comprehensive income	1/7/2012	(1)
AASB 2011-10	Revision to AASB 119 Employee Benefits – amended treatment of defined benefit assets or liabilities	1/1/2013	(2)

* 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.

(x) Segment reporting

Operating segments are reported in a manner consistent with that reported to senior management and the Board.

2 Segment information

From 1 July 2010 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 other exploration tenements are managed separately, but as the operations in each of these areas are similar, the various tenements have been aggregated into one operating segment.

The Group rents a drilling rig to a drilling contractor. 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 Indonesia.

Revenue of $4,437,006 (2010: $1,253,770 and $671,338) are derived from a single external customer attributable to drilling rig operations and $5,411,279 (2010: nil) of gas sales revenue from the Meridian SeamGas operations is derived from a single external customer.

	Meridian SeamGas	Drilling rig operations		All other segments		
Year ended 30 June 2011	Australia $'000	Australia $'000	Exploration Australia $'000	Indonesia $'000	Australia $'000	Total $'000
Revenue from external customers	**5,524**	**4,437**	**-**	**39**	**62**	**10,062**
Add interest revenue						2,035
Total income						**12,097**
Segment profit / (loss) before interest	**(5,553)**	**549**	**-**	**(280)**	**(4,731)**	**(10,015)**
Add interest revenue						2,035
Less interest expense						(1,394)
Loss after income tax						**(9,374)**
Segment assets and liabilities						
Segment assets	**67,944**	**4,787**	**28,767**	**-**	**690**	**102,188**
Add jointly utilised assets:						
Cash						17,733
Receivables						74
Total assets						**119,995**
Segment liabilities	**19,460**	**2,221**	**894**	**-**	**2,596**	**25,171**
Total liabilities						**25,171**
Other segment information						
Acquisitions of property, plant & equipment and intangible assets	63,116	99	5,131	-	288	68,634
Depreciation and depletion expense	4,529	65	121	-	103	4,818
Share of losses of joint venture entity	-	-	-	319	-	319

2 Segment information (continued)

Year ended 30 June 2010	Meridian SeamGas Australia $'000	Drilling rig operations Australia $'000	Exploration Australia $'000	All other segments Indonesia $'000	All other segments Australia $'000	Total $'000
Revenue from external customers	**-**	**1,925**	**-**	**33**	**7**	**1,965**
Add interest revenue						1,284
Total income						**3,249**
Segment profit / (loss) before interest	**(396)**	**110**	**-**	**(282)**	**(3,147)**	**(3,715)**
Add interest revenue						1,284
Less interest expense						(32)
Loss after income tax						**(2,463)**
Segment assets and liabilities						
Segment assets	**1,392**	**4,753**	**26,845**	**-**	**678**	**33,668**
Add jointly utilised assets:						
Cash						73,794
Interest receivable						293
Total assets						**107,755**
Segment liabilities	**-**	**-**	**(1,000)**	**-**	**-**	**(1,000)**
Add liabilities not regularly reported by segment:						
Trade and other payables						(5,760)
Borrowings						(54)
Provisions						(232)
Total liabilities						**(7,046)**
Other segment information						
Acquisitions of property, plant & equipment and intangible assets	-	1,098	6,617	-	183	7,898
Depreciation and amortisation expense	-	42	-	-	60	102
Share of losses of joint venture entity	-	-	-	313	-	313

3(a) Revenue

	Consolidated	
	2011 $'000	2010 $'000
From continuing operations		
Sales revenue		
Gas sales and processing income	**5,499**	-
Services provided to joint venture entity	**39**	33
Rig rental income	**4,437**	1,925
Other revenue		
Interest	**2,035**	1,284
Sub-lease rental income	**53**	-
Total revenue from continuing operations	**12,063**	3,242

3(b) Other Income

Net foreign exchange gains	**34**	7

4 Expenses

Loss before income tax includes the following specific expenses:

Expenses arising from share-based payment transactions		
Shares and Options granted to Directors and management	**469**	278
Amount capitalised to gas field assets / deferred exploration and evaluation asset	**(106)**	(47)
Expenses arising from share-based payment transactions	**363**	231
Depreciation and depletion		
Depreciation and depletion	**4,984**	277
Amount capitalised to gas field assets / deferred exploration and evaluation asset	**(166)**	(175)
Depreciation and depletion expense	**4,818**	102
Defined contribution superannuation contributions		
Defined contribution superannuation expense	**482**	196
Amount capitalised to gas field assets / deferred exploration and evaluation asset	**(109)**	(31)
Defined contribution superannuation contributions	**373**	165
Rental expense relating to operating leases		
Minimum lease payments accrued	**442**	616
Sublease expenses	**455**	200
Provision for unavoidable sublease rental payments	**116**	232
Amount capitalised to gas field assets / deferred exploration and evaluation asset	**(130)**	(342)
Rental expense relating to operating leases	**883**	706

4 Expenses (continued)

	Consolidated	
	2011 $'000	2010 $'000
Finance costs		
Interest and finance charges	**4**	4
Provisions: unwinding of discount	**1,390**	29
Amount capitalised to gas field assets / deferred exploration and evaluation asset	**(9)**	(1)
Finance costs	**1,385**	32

Under the terms of various Joint Operating Agreements, the Group is reimbursed by joint venturers for their share of the amounts capitalised to gas field assets and deferred exploration and evaluation assets.

5 Income tax expense

(a) Income tax expense

Current tax	**(3,748)**	(2,844)
Deferred tax	**886**	1,968
Current year tax losses not recognised	**2,862**	876
Income tax expense attributable to profit from continuing operations	**-**	-
Deferred income tax expense included in income tax expense comprises:		
Increase in deferred tax assets	**(374)**	(390)
Increase in deferred tax liabilities	**1,260**	2,358
	886	1,968

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Loss from continuing operations before income tax expense	**(9,374)**	(2,463)
Tax at the Australian tax rate of 30% (2010-30%)	**(2,812)**	(739)
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Initial recognition exemption – Meridian SeamGas acquisition	**936**	-
Initial recognition exemption – provision for remedies payable	**(973)**	-
Write down of loans to joint venture entity	**68**	96
Intra-group rig profit elimination	**164**	18
Share issue costs amortisation	**(346)**	(345)
Share-based payments	**141**	83
Costs in respect of foreign operations	**(11)**	5
Adjustment in respect of prior years	**(33)**	-
Non-deductible expenses	**3**	3
Difference in overseas tax rates	**1**	3
	(2,862)	(876)
Current year tax losses not recognised	**2,862**	876
Income tax expense	**-**	-

5 Income tax expense (continued)

	Consolidated	
	2011 $'000	2010 $'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	**(346)**	(358)
Current year tax losses not recognised	**346**	358
	-	-
(d) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	**41,085**	28,895
Potential tax benefit @ 30%	12,326	8,669
$8,479 of unused tax losses were incurred by Singapore subsidiaries (2010: $28,758).		
(e) Unrecognised temporary differences		
Net deferred tax liability comprises temporary differences attributable to:		
Share issue costs	**547**	894
Professional fees	**254**	444
Property, plant and equipment	**2**	2
Accruals	**32**	34
Employee entitlements	**71**	20
Unrealised foreign exchange losses	**49**	-
Provisions	**552**	85
Deferred tax assets	**1,507**	1,479
Deferred exploration and evaluation costs	**7,545**	6,534
Capitalised acquisition costs	**-**	297
Property, plant and equipment	**172**	-
Stores and consumables	**678**	212
Interest receivable	**-**	88
Unrealised foreign exchange gains	**-**	3
Deferred tax liability	**8,395**	7,134
Net deferred tax liability	**6,888**	5,655
Unused tax losses not brought to account	**(6,888)**	(5,655)
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	
	2011 $'000	2010 $'000
Cash at bank and in hand	**9,033**	32,151
Deposits at call	**14,020**	41,643
	23,053	73,794

Market risks

Cash at bank and in hand are bearing interest rates between nil and 4.65% (2010: nil and 4.45%).

The deposits are bearing floating interest rates between 5.44% and 6.06% (2010: 5.11% and 6.38%). These deposits have an average maturity of 32 days (2010: 149 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.

Cash of $5,740,640 (2010: $720,640) is 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.

Cash of $179,360 (2010: $175,211) 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 $11,092 (2010: $6,944) at balance date.

Cash of $100,000 (2010: $70,000) is held as collateral to secure a corporate credit card facility pursuant to a right of set-off. An amount of $19,000 (2010: $13,000) was owed under the corporate credit card facility at balance date.

(a) Reconciliation of profit / (loss) after income tax to net cash outflow from operating activities

	Consolidated	
	2011 $'000	2010 $'000
Loss for the year	**(9,374)**	(2,463)
Non-cash rental income	**(3,511)**	(1,925)
Receipts of refunds of goods and services tax	**3,922**	1,642
Goods and services tax paid	**(5,180)**	(2,473)
Operating expenses paid on behalf of joint venturers	**(5,278)**	-
Depreciation and depletion	**4,818**	102
Finance costs – unwinding of discount on provisions	**1,381**	28
Loss on disposal of property, plant and equipment	**-**	2
Share of losses of joint venture entities	**319**	313
Non cash employee benefits expense – share-based payments	**363**	231
Net exchange differences	**(23)**	(11)
Change in operating assets and liabilities:		
Increase in receivables and other current assets	**(680)**	(1,909)
Decrease in inventories	**201**	-
Increase in trade and other payables	**1,697**	638
(Decrease) / increase in provisions	**(3,080)**	232
Net cash outflow from operating activities	**(14,425)**	(5,593)

6 Current assets – Cash and cash equivalents (continued)

(b) Non-cash investing and financing activities

Issue of shares for acquisition of exploration tenements

On 29 September 2010 the Company issued 3,500,000 ordinary shares as consideration for the acquisition of two exploration tenements, ATP 974P and ATP 978P.

Offset of amounts owing to / from joint venture entity

The Group's investment in a joint venture entity increased during the year as a result of the Parent Company extinguishing a receivable of $276,594 (2010: $312,639) from the joint venture entity to the Parent Company.

7 Current assets – Trade and other receivables

	Consolidated	
	2011 $'000	2010 $'000
Trade receivables	**1,028**	3,297
Other receivables	**1,722**	369
Interest receivable	**85**	293
Prepayments	**32**	97
	2,867	4,056

Past due but not impaired

As at 30 June 2011 trade receivables of $388,000 (2010: $265,346) were past due but not impaired. These relate to re-imburseable exploration costs from WestSide's joint venturers who have no history of default and are secured by Deeds of Cross Charge over the joint venturers' interest in the respective tenements. These amounts owing were received subsequent to year end.

	Consolidated	
	2011 $'000	2010 $'000
Up to 3 months	**130**	265
3 to 6 months	**258**	-
	388	265

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.

Other receivables comprise amounts owing from the Australian Taxation Office for GST and fuel credits.

Trade receivables include amounts owing from joint venturers for their share of exploration costs incurred. 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 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.

8 Current assets – Inventories

	Consolidated	
	2011 $'000	2010 $'000
Stores and consumables – at cost	**2,261**	706

9 Non-current assets – other

Capitalised drilling rig commissioning costs	**3,636**	3,636
Capital work in progress	**-**	990
	3,636	4,626

Capitalised drilling rig commissioning costs are costs which have been incurred by the Group in commissioning a drilling rig which is owned by a third party. The terms relating to the continued use of the drilling rig had not been finalised at 30 June 2011.

Capital work in progress represents capitalised acquisition costs incurred up to 30 June 2010 for the purchase of a 51% interest in the Meridian SeamGas gas field assets.

10 Non-current assets – Property, Plant & Equipment

(a) Gas field assets

	Gas field producing assets $'000	Development work in progress $'000	Plant and equipment $'000	Total $'000
Opening net book amount at 1 July 2010	-	-	-	-
Initial acquisition of joint venture assets	18,004	-	26,256	44,260
Acquisitions	-	12,395	-	12,395
Transfer from development work in progress	9,841	(9,841)	-	-
Transfer from exploration assets	5,663	-	-	5,663
Restoration asset movement	323	-	-	323
Depletion and depreciation expense	(2,814)	-	(1,651)	(4,465)
Closing net book amount at 30 June 2011	**31,017**	**2,554**	**24,605**	**58,176**
At 30 June 2011				
Cost	33,831	2,554	26,256	62,641
Accumulated depletion and depreciation	(2,814)	-	(1,651)	(4,465)
Net book amount	**31,017**	**2,554**	**24,605**	**58,176**

10 Non-current assets – Property, Plant & Equipment (continued)

(b) Other property, plant and equipment

	Land and buildings $'000	Furniture, fittings and equipment $'000	Other equipment and vehicles $'000	Total $'000
At 30 June 2009				
Cost	-	92	763	855
Accumulated depreciation	-	(33)	(176)	(209)
Net book amount at 30 June 2009	**-**	**59**	**587**	**646**
Opening net book amount at 1 July 2009	**-**	**59**	**587**	**646**
Acquisitions	-	183	1,240	1,423
Disposals	-	(5)	-	(5)
Depreciation expense	-	(25)	(252)	(277)
Closing net book amount at 30 June 2010	**-**	**212**	**1,575**	**1,787**
At 30 June 2010				
Cost	-	270	2,003	2,273
Accumulated depreciation	-	(58)	(428)	(486)
Net book amount at 30 June 2010	**-**	**212**	**1,575**	**1,787**
Opening net book amount at 1 July 2010	**-**	**212**	**1,575**	**1,787**
Acquisition of joint venture assets	550	-	167	717
Acquisitions	-	297	491	788
Disposals	-	-	(57)	(57)
Depreciation expense	(26)	(112)	(381)	(519)
Closing net book amount at 30 June 2011	**524**	**397**	**1,795**	**2,716**
At 30 June 2011				
Cost	550	556	2,594	3,699
Accumulated depreciation	(26)	(159)	(799)	(983)
Net book amount at 30 June 2011	**524**	**397**	**1,795**	**2,716**

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	
	2011 $'000	2010 $'000
Balance at the start of the year	**22,786**	15,914
Additions	**10,477**	6,475
Transfer to gas field assets	**(5,663)**	-
Restoration asset movement	**(314)**	397
Balance at the end of the year	**27,286**	22,786

12 Current liabilities – Trade and other payables

	Consolidated	
	2011 $'000	2010 $'000
Trade payables and accruals	**9,340**	5,692
Employee benefits	**236**	68
	9,576	5,760

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 $19,000 (2010: $13,000) are secured by a right of set-off against cash on deposit.

13 Current liabilities – Borrowings

	Consolidated	
	2011 $'000	2010 $'000
Bank loans - secured	**20**	19

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	
	2011 $'000	2010 $'000
Bank loans – secured	**15**	35

(a) Secured liabilities and assets pledged as security

The total secured liabilities (current and non-current) are as follows:

Bank loans - secured	**35**	54

Bank loans are secured by a chattel mortgage over specified field vehicles with a carrying value of $76,000 (2010: $86,000).

(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

Consolidated - 2011	**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	-	1,000	232	1,232
Recognised on acquisition	11,511	4,498	-	16,009
Additional provisions recognised[(1)]	225	9	116	350
Amounts used during the year	(3,247)	-	(174)	(3,421)
Charged to the Statement of Comprehensive Income – unwinding of discount	1,103	287	-	1,390
Balance at the end of the year	**9,592**	**5,794**	**174**	**15,560**
Comprising				
(a) Current – expected to be expensed within the next 12 months	3,095	60	121	3,276
(b) Non-current – expected to be expensed after one year	6,497	5,734	53	12,284
	9,592	**5,794**	**174**	**15,560**

(1) Includes $170,000 resulting from changes in discount rates used.

A Provision for future remedies payable

The Group acquired interests in the net assets of the Meridian SeamGas gas fields as at 1 July 2010 and assumed interests in various gas sale agreements to supply gas to customers from that date. Pursuant to these 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 the assumption that the delivery shortfall at the time of acquisition will remain steady over the remaining life of the contracts. 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 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).

15 Current and non current liabilities – Provisions (continued)

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.

16 Contributed equity

	Notes	**2011 Shares**	2010 Shares	**2011 $'000**	2010 $'000
(a) Share capital					
Authorised and issued ordinary shares – fully paid	16(c),(d)				
Quoted on the ASX		**250,271,400**	250,232,890		
Unquoted		**3,746,400**	-		
Total contributed equity		**254,017,800**	250,232,890	**110,479**	107,316

	Notes			**2011 Securities**	2010 Securities
(b) Other equity securities					
Share options – Incentive Options - unquoted	16(e)			**2,072,000**	2,308,000
Performance Rights - unquoted	16(f)			**3,452,700**	1,581,000
Total other equity securities				**5,524,700**	3,889,000

(c) Movements in ordinary share capital

Date	Details	Notes	Number of shares	Issue price $	Value $'000
30 June 2009	**Balance**		**110,389,445**		**45,266**
29 January 2010	Employee share scheme issue	(i)	50,000	-	23
12 April 2010	Share placement		14,677,000	0.55	8,072
18 May 2010	Entitlements issue 1:1		125,116,445	0.45	56,302
	Less: Transaction costs arising on share issues				(2,347)
30 June 2010	**Balance**		**250,232,890**		**107,316**
29 September 2010	Issue of shares	(ii)	3,500,000	-	3,000
3 February 2011	Issue of shares on vesting of Performance Rights	(iii)	284,910	-	145
	Refund of share issue costs				18
30 June 2011	**Balance**		**254,017,800**		**110,479**

(i) Shares were issued to employees as equity incentives for nil consideration. The value recognised in contributed equity is the market value of the shares on the date they were granted.

(ii) Shares were issued as consideration for acquisition of exploration tenements and are recognised in contributed equity at the fair value of the assets acquired. The fair value was established by an independent expert.

(iii) 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.

16 Contributed equity (continued)

(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 2011, there were 2.072 million (2010: 2.308 million) unexpired Incentive Options on issue.

Incentive Options have been issued to Directors and senior staff to align their interests with those of shareholders in maximising shareholder value. The Incentive Options cannot be exercised until their vesting date and must be exercised before their expiry date. Generally, Incentive Options lapse 90 days after an employee/contractor ceases to be engaged by the Company. If, during the life of the Incentive Options, the Company makes a bonus issue to its shareholders, the option holder will be entitled, upon later exercise of that option, to receive additional shares as if the option holder had exercised the option prior to the record date for the bonus issue. The rights of option holders will also be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital. The Board retains the discretion to waive exercise conditions including where there is a change of control of the Company.

Consolidated 2011			Number of Incentive Options				
Vesting date	Expiry date	Exercise price	Balance at the start of the year	Granted during the year	Forfeited during the year	Outstanding at the end of the year(i)	Exercisable at the end of the year
10 January 2010	10 January 2013	$0.3614	1,240,000	-	-	1,240,000	1,240,000
1 July 2010	30 June 2012	$0.7714	70,000	-	-	70,000	70,000
1 July 2011	30 June 2013	$0.4999	498,000	-	(36,000)	462,000	-
1 July 2011	29 June 2013	$0.3614	500,000	-	(200,000)	300,000	-
Total 30 June 2011			**2,308,000**	**-**	**(236,000)**	**2,072,000**	**1,310,000**
Weighted average exercise price ($)			**$0.40**		**$0.38**	**$0.41**	**$0.38**

(i) The weighted average remaining contractual life of Incentive Options outstanding at the end of the year is 615 days (2010: 991 days).

Consolidated 2010			Number of Incentive Options				
Vesting date	Expiry date	Exercise price	Balance at the start of the year	Granted during 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	$0.3614	1,240,000	-	-	1,240,000	1,240,000
1 July 2010	30 June 2012	$0.7714	142,000	-	(72,000)	70,000	-
1 July 2011	30 June 2013	$0.4999	422,000	100,000	(24,000)	498,000	-
1 July 2011	29 June 2013	$0.3614	500,000	-	-	500,000	-
1 July 2012	30 June 2014	$0.50	-	150,000	(150,000)	-	-
Total 30 June 2010			**2,304,000**	**250,000**	**(246,000)**	**2,308,000**	**1,240,000**
Weighted average exercise price ($)			**$0.55**	**$0.56**	**$0.63**	**$0.40**	**$0.36**

No Incentive Options were granted during the year ended 30 June 2011. The weighted average fair value of Incentive Options granted during the year ended 30 June 2010 was 27 cents. The fair value of options granted were determined using a Black-Scholes-Merton option pricing model that took into account the following variables:

16 Contributed equity (continued)

	Year ended 30 June 2011	Year ended 30 June 2010	
Grant date	-	5 July 2009	30 November 2009
Expiry date	-	30 June 2014	30 June 2013
Share price at grant date	-	$0.57	$0.46
Exercise price	-	$0.50	$0.638
Expected share price volatility	-	70%	70%
Expected dividends	-	Nil	Nil
Risk free interest rate	-	5.09% pa	4.74% pa

The expected life of the options was assumed to be approximately mid-way between the vesting date and expiry date.

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

Revision of Incentive Options exercise prices (year ended 30 June 2010)

On 28 May 2010, the exercise prices of all outstanding Incentive Options were revised in accordance with ASX Listing Rules as a result of the 1:1 Entitlement Issue of ordinary shares. The changes are set out in the table below:

	Exercise price	
Options expiry date	Original	Revised
30 June 2012	$0.91	$0.7714
10 January 2013	$0.50	$0.3614
29 June 2013	$0.50	$0.3614
30 June 2013	$0.638	$0.4999

The fair values of the options before and after the revision were assessed as at the modification date and any incremental value will be expensed over the remaining vesting period, or has been expensed in the current financial year where the options have already vested.

The weighted average incremental increase in fair value as a result of the revision was $0.04 per Incentive Option.

Consistent with the valuation methodology used for the grant of new options, the fair value of the Incentive Options were determined using a Black-Scholes-Merton option pricing model, taking into account the expiry dates, the $0.44 share price at the revision date, 70% expected share price volatility, no expected dividends and a risk free interest rate of 4.53% pa.

(f) Performance Rights

At 30 June 2011 there were 3,452,700 Performance Rights on issue (2010: 1,581,000).

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 that 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)

The following Performance Rights were issued during the year:

Consolidated 2011		Number of Performance Rights				
Vesting date	Expiry date	Balance at the start of the year[iv]	Granted during the year	Vested and converted to shares during the year	Forfeited during the year	Outstanding at the end of the year
31 December 2010[i]	31 December 2011	541,000	150,000	(284,910)	(406,090)	-
30 June 2011[ii]	30 June 2012	-	312,700	-	-	312,700
31 December 2012[iii]	31 December 2013	1,630,000	940,000	-	(460,000)	2,110,000
31 December 2014[iii]	31 December 2015	-	1,090,000	-	(60,000)	1,030,000
Total 30 June 2011		**2,171,000**	**2,492,700**	**(284,910)**	**(926,090)**	**3,452,700**
Weighted average fair value at grant date ($)			**$0.40**			

(i) These Performance Rights vest upon achievement of performance targets and service milestones.
(ii) 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.
(iii) These Performance Rights vest upon achievement of service milestones – the participant must be employed by the Group at the vesting date.
(iv) The balance of the start of the year includes 420,000 and 170,000 Performance Rights vesting on 31 December 2012 and 31 December 2010 respectively which were granted but not issued at 30 June 2010.

Consolidated 2010		Number of Performance Rights			
Vesting date	Expiry date	Balance at the start of the year	Granted during the year	Forfeited during the year	Outstanding at the end of the year
31 December 2010	31 December 2011	-	371,000	-	371,000
31 December 2012	31 December 2013	-	1,210,000	-	1,210,000
Total 30 June 2010		**-**	**1,581,000**		**1,581,000**
Weighted average fair value at grant date ($)			**$0.54**		

A further 590,000 Performance Rights were granted to new employees before 30 June 2010 but were not issued until each employee had completed their probationary service period. These Performance Rights have a weighted average fair value at grant date of $0.48.

17 Reserves and retained profits

	Consolidated	
	2011 $'000	2010 $'000
(a) Reserves		
Share option reserve	**630**	571
Performance rights reserve	**343**	77
Foreign currency translation reserve	**1**	-
Total reserves	**974**	648
Movements:		
Share option reserve		
Balance at the start of the year	**571**	393
Employee option expense	**59**	178
Balance at the end of the year	**630**	571

17 Reserves and retained profits (continued)

	Consolidated	
	2011 $'000	2010 $'000
Performance rights reserve		
Balance at the start of the year	**77**	-
Employee performance rights expense	**411**	77
Transfer to contributed equity upon issue of shares	**(145)**	-
Balance at the end of the year	**343**	77
Foreign currency translation reserve		
Balance at the start of the year	**-**	(1)
Currency translation differences arising during the year	**1**	1
Balance at the end of the year	**1**	-
Share based payment reserve		
Balance at the start of the year	**-**	-
Employee share expense	**-**	23
Transfer to contributed equity upon issue of shares	**-**	(23)
Balance at the end of the year	**-**	-
(b) Accumulated losses		
Movements in accumulated losses were as follows:		
Balance at the start of the year	**(7,255)**	(4,792)
Net loss for the year	**(9,374)**	(2,463)
Balance at the end of the year	**(16,629)**	(7,255)

(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.

Share based payment reserve

The fair value of Ordinary Shares granted but not issued is credited to the share based payment reserve. When the shares are issued, the value of the shares is transferred to contributed equity.

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 *	
			2011 %	2010 %
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**	-
WESTSIDE CSG HOLDINGS Pte Ltd	Singapore	Ordinary	**100**	100
WESTSIDE KPC HOLDINGS Pte Ltd	Singapore	Ordinary	**100**	100

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

Deeds of cross charge

WestSide Corporation Ltd, WestSide ATP 688P Pty Ltd, WestSide ATP 769P 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.

19 Joint ventures

(a) 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	**2011**	2010
ATP 769P	Coal seam gas exploration	**50%**	50%
ATP 688P	Coal seam gas exploration	**50%**	50%
Meridian SeamGas	Coal seam gas production	**51%**	-

Capital expenditure commitments relating to the joint ventures are set out in Note 20. There are no contingent liabilities relating to the joint venture activities.

Acquisition of joint venture assets and liabilities

Effective 1 July 2010 WestSide Corporation Limited acquired a 51% operating interest in the Dawson Seamgas gas fields (subsequently renamed Meridian SeamGas) at a cost of $29,477,068. The fair value of the assets and liabilities acquired are set out below:

Assets	$'000
Property, plant and equipment	716
Development and production assets	44,261
Inventories	372
Prepayments	137
Total assets	**45,486**

19 Joint ventures (continued)

Liabilities	$'000
Provision for remedies payable	11,511
Provision for restoration and rehabilitation	4,498
Total liabilities	**16,009**
Fair value of net assets acquired	**29,477**

(b) Jointly controlled entities

The interests in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting.

A subsidiary has investments in jointly controlled entities. Investments in jointly controlled entities include funds advanced to a joint venture entity which are repayable on demand. The Parent Entity does not expect to require repayment of these advances in the next twelve months.

		Ownership interest	
Name of jointly controlled entity	Place of incorporation	**2011**	2010
PT Seamgas Indonesia	Indonesia	**50%**	50%
KPC CBM Pte Ltd	Singapore	**50%**	50%
Arutmin CBM Pte Ltd	Singapore	**50%**	50%
Westprima Resources Pte Ltd	Singapore	**50%**	50%
Kalenergy Pte Ltd	Singapore	**50%**	50%
Tansar Gas Pte Ltd	Singapore	**50%**	50%

Movements in carrying amounts

	Consolidated	
	2011 $'000	2010 $'000
Carrying amount at the beginning of the financial year	**-**	-
Investment in joint venture entities	**319**	313
Share of losses after income tax	**(319)**	(313)
Carrying amount at the end of the financial year	**-**	-
Unrecognised share of losses at the beginning of the financial year	**314**	-
Unrecognised share of losses for the period	**320**	314
Unrecognised share of losses at the end of the financial year	**634**	314

19 Joint ventures (continued)

There are no contingent liabilities relating to jointly controlled entities. The Group's share of capital commitments of jointly controlled entities are set out in Note 20(c).

The aggregate amount of assets, liabilities, revenues and costs relating to jointly controlled entities are set out below:

	Consolidated	
	2011 $'000	2010 $'000
Share of jointly controlled entities' assets and liabilities		
Current assets	**35**	48
Non-current assets	**-**	10
Total assets	**35**	58
Current liabilities	**61**	214
Total liabilities	**61**	214
Share of jointly controlled entities' revenue and expenses		
Revenue	**-**	28
Expenses	**(639)**	(655)
Loss	**(639)**	(627)

20 Commitments

(a) Operating lease commitments

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

	Consolidated	
	2011 $'000	2010 $'000
Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:		
Within one year	**593**	707
Later than one year but less than five years	**2,259**	656
	2,852	1,363

The 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.

(b) Remuneration commitments

	Consolidated	
	2011 $'000	2010 $'000
Commitments for the payment of salaries and other remuneration under long term employment contracts in existence at the reporting date but not recognised as liabilities, payable:		
Within one year	**236**	340
	236	340

20 Commitments (continued)

(c) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	Consolidated	
	2011 $'000	2010 $'000
Intangible assets – exploration and evaluation costs[1]		
Payable:		
Within one year	**4,952**	10,589
Later than one year but not later than five years	**19,350**	-
	24,302	10,589
Non-current assets - Investments in joint venture entities[3]		
Payable:		
Within one year	**-**	225
	-	225
Non-current assets – Gas field development assets and Property, plant and equipment[4]		
Payable:		
Within one year	**12,166**	28,340
	12,166	28,340

(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. Included in this commitment is an amount of nil (2010: $2 million), being the estimated fair value of two exploration tenements to be acquired with the issue of 3,500,000 ordinary shares of the Company. The capital commitments for exploration and evaluation costs include capital expenditure commitments of $24,302,000 (2010: $8,589,000) relating to joint ventures listed in Note 19(a).

(2) The exploration commitments described at (1) above are those of each Group company which holds the interest in the Authority to Prospect. The Parent Entity has committed to provide funding for these programs.

(3) The Parent Entity has committed to contribute funding to the operations of PT Seamgas Indonesia, a jointly-controlled entity. The above amount represents the Parent's share of expected expenditure in the foreseeable future.

(4) 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 $12,166,000 (2010: $nil) relating to joint ventures listed in Note 19(a).The Parent Entity has committed to provide funding for these programs.

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.

(c) Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2011 **$**	2010 $
Costs incurred as operator of joint venture and on-charged to joint venture	**51,405,668**	13,798,741
Contributions to joint venture costs	**26,288,726**	6,920,987
Loans advanced to joint venture entity	**319,483**	312,639
Costs incurred on behalf of joint venture entity and on-charged to joint venture entity	**276,593**	254,005
Provision of services to joint venture entity	**38,772**	30,816

(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:

	Consolidated	
	2011 **$**	2010 $
Current assets – trade and other receivables		
From joint ventures for costs incurred as operator of joint venture	**524,009**	2,895,292
To joint venture operator for the Group's share of joint venture costs	**-**	3,274

(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 year, the Group purchased and rented equipment and rented storage space from these companies on normal commercial terms and conditions.

During the year the Company issued 3.5 million shares to a Director, Mr A Karoll as consideration for the purchase of Nazara Energy Pty Ltd (Nazara) a company controlled by Mr Karoll which held two exploration tenements in Queensland's Galilee Basin. The acquisition was approved by WestSide shareholders in November 2009 and was completed on 29 September 2010.

Prior to the appointment of J Clarke as a Director of WestSide, the Group entered into an agreement for financial advisory services in connection with the acquisition of gas field interests with Infrastructure Capital Group Limited. Mr Clarke is Managing Director and a significant shareholder of Infrastructure Capital Group.

21 Related party transactions (continued)

Aggregate amounts of each of the above types of transactions with key management personnel.

	Consolidated	
	2011 $	2010 $
Amounts recognised as expense: purchase and rental of gas field equipment and services	**-**	1,346
Amounts recognised as Other non-current assets – Capital work in progress: advisory fees capitalised	**-**	100,000
Amounts recognised as non-current assets – Intangible assets – exploration and evaluation costs: purchase and rental of gas field equipment and services	**-**	1,000
Amounts recognised as non-current assets – Property, Plant & Equipment: Gas field assets	**411,666**	-
Amounts recognised as Other non-current assets – Capitalised drilling rig commissioning costs	**-**	5,000
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	**-**	5,000
Non-current assets	**411,666**	101,000
Aggregate amounts payable to key management personnel at the end of the reporting period relating to the above types of transactions		
Current liabilities	**93,391**	101,406

22 Key management personnel disclosures

(a) Directors

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

		Period of appointment (year ended 30 June)	
Name	Position	**2011**	2010
A Karoll	Chairman	**Full year**	Full year
	Acting Chief Executive Officer	**To 30 August 2010**	Full year
Non-executive Directors			
J Clarke	Director	**Full year**	From 28 May 2010
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**	From 28 May 2010

22 Key management personnel disclosures (continued)

(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:

		Period of appointment (year ended 30 June)	
Name	Position	**2011**	2010
J Beeby	Chief Executive Officer	**From 30 August 2010**	-
G Borgelt	Commercial Manager	**From 1 November 2010**	-
P Dingle	Moura Area Manager	**Full year**	From 21 June 2010
D Galvin	Chief Financial Officer and Company Secretary	**Full year**	Full year
A Knight	Exploration Manager	**Full year**	From 19 April 2010
S Mewing	Chief Operating Officer	**Full year**	Full year
Other group executives			
K Potter	Operations manager - Indonesia	**Full year**	Full year

(c) Key management personnel compensation

	Consolidated	
	2011 $	2010 $
Short-term employee benefits	**2,347,365**	1,278,871
Post-employment benefits	**185,494**	113,895
Share-based payments	**351,990**	196,340
	2,884,849	1,589,106

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

(d) Equity instrument disclosures relating to key management personnel

Options, Performance Rights and shares provided as remuneration and shares issued on exercise of such options

Details of Incentive Options, Performance Rights and shares provided as remuneration and shares issued on the exercise of such options, 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.

22 Key management personnel disclosures (continued)

(i) Option holdings

The numbers 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:

Incentive Options – 2011 (Number of options)					
Name	Held at the start of the year	Granted as compensation during the year	Held at the end of the year	Vested and exercisable at the end of the year	Unvested at the end of the year
Directors of WestSide Corporation Limited					
A Gall	300,000	-	300,000	300,000	-
A Karoll[1]	310,000	-	310,000	310,000	-
T Karoll	200,000	-	200,000	200,000	-
Other key management personnel of the Group					
D Galvin[2]	407,000	-	407,000	345,000	62,000
S Mewing	300,000	-	300,000	-	300,000
K Potter	400,000	-	400,000	-	400,000

(1) 10,000 of these options vested during the financial year.
(2) 45,000 of these options vested during the financial year.

No Incentive Options were exercised during the year (2010: nil).

Incentive Options – 2010 (Number of options)					
Name	Held at the start of the year	Granted as compensation during the year	Held at the end of the year	Vested and exercisable at the end of the year[1]	Unvested at the end of the year
Directors of WestSide Corporation Limited					
A Gall	300,000	-	300,000	300,000	-
A Karoll	310,000	-	310,000	300,000	10,000
T Karoll	200,000	-	200,000	200,000	-
Other key management personnel of the Group					
D Galvin	407,000	-	407,000	300,000	107,000
S Mewing	300,000	-	300,000	-	300,000
K Potter	300,000	100,000	400,000	-	400,000

(1) These options vested during the financial year.

22 Key management personnel disclosures (continued)

(ii) Performance rights holdings

The numbers 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:

Performance rights - 2011 (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	-	-	712,700	712,700
G Borgelt	-	180,000	-	-	180,000	180,000
P Dingle	110,000	80,000	(15,300)	(14,700)	160,000	160,000
D Galvin	410,000	100,000	(33,600)	(26,400)	450,000	450,000
A Knight	270,000	80,000	(35,700)	(34,300)	280,000	280,000
S Mewing	483,000	100,000	(46,480)	(36,520)	500,000	500,000

No Performance Rights were vested and exercisable at the end of the year (2010: nil).

Performance rights - 2010 (Number of rights)				
Name	Held at the start of the year	Granted as compensation during the year	Held at the end of the year	Unvested at the end of the year
Other key management personnel of the Group				
P Dingle	-	110,000	110,000 (1)	110,000
D Galvin	-	410,000	410,000	410,000
A Knight	-	270,000	270,000 (1)	270,000
S Mewing	-	483,000	483,000	483,000

(1) These Performance Rights had been granted, but not issued at the end of the year.

(iii) Share holdings

The numbers 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:

Ordinary shares – 2011 (Number of shares)				
Name	Held at the start of the year	Issued 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	-	-	448,000
A Karoll	13,812,770	-	3,500,000	17,312,770
T Karoll	340,000	-	-	340,000
N Mitchell	5,621,338	-	-	5,621,338
Other key management personnel of the Group				
P Dingle	-	15,300	-	15,300
D Galvin	130,000	33,600	-	163,600
A Knight	-	35,700	33,000	68,700
S Mewing	200,000	46,480	-	246,480

Ordinary shares – 2010 (Number of shares)			
Name	Held at the start of the year	Other changes during the year	Held at the end of the year
Directors of WestSide Corporation Limited			
A Gall	224,000	224,000	448,000
A Karoll	9,243,845	4,568,925	13,812,770
T Karoll	300,000	40,000	340,000
N Mitchell	2,594,069	3,027,269	5,621,338
Other key management personnel of the Group			
D Galvin	15,000	115,000	130,000
S Mewing	100,000	100,000	200,000

23 Remuneration of auditors

During the year the following fees were paid or payable for services provided by PricewaterhouseCoopers, the auditor of the Parent Entity:

	Consolidated	
	2011 $	2010 $
(a) Audit services		
Audit and review of financial reports	**221,522**	149,913
(b) Non-audit services		
Taxation services		
Taxation compliance	**20,000**	8,000
Taxation advice	**27,000**	28,132
Research & development tax rebate advice	**43,953**	13,369
GST advice	**7,785**	32,236
Total remuneration for taxation services	**98,738**	81,737
Other services		
Advice on potential business acquisitions	**131,247**	-
Review of accounting treatment of specific transactions	**6,000**	17,000
The following fees were paid or payable for services provided by related practices of PricewaterhouseCoopers Australian firm:		
Other services		
Advice on Meridian SeamGas acquisition	**950,000**	45,082
Total non-audit services	**1,185,985**	143,819

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	
	2011 Cents	2010 Cents
(a) Basic and diluted earnings / (loss) per share		
From continuing operations attributable to the ordinary equity holders of the Company	**(3.71)**	(1.92)

	Consolidated	
	2011 $'000	2010 $'000
(b) Reconciliations of earnings used in calculating earnings per share		
Basic and diluted earnings per share		
Loss attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share	**(9,374)**	(2,463)

24 Earnings per share (continued)

	Consolidated	
	2011 Number	2010 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	**252,975,032**	128,326,678

(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

Disposal of interests in exploration tenements

On 1 August 2011, the Group disposed of a 49% interest in each of ATP 974P and ATP 978P, receiving $1,724,576 as consideration.

Vesting and lapsing of employee performance rights

In August 2011, 389,150 employee performance rights lapsed as a result of vesting conditions not being satisfied and 173,550 unquoted ordinary shares were issued upon the vesting of performance rights.

Disposal of interests in Indonesia

On 16 September 2011 the Group completed the sale of its interests in Indonesia, receiving plant and equipment as consideration.

26 Contingencies

Guarantees

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

Obligation to acquire joint venture assets in certain circumstances

WestSide's joint venturer in the Meridian SeamGas joint venture has the right, until 1 July 2012, to sell its 49% interest in that joint venture back to WestSide at acquisition cost plus reimbursement of net funds invested since 1 July 2010, but only where WestSide's performance as operator or joint venturer is not in accordance with the terms of the Joint Development and Marketing Agreement. Settlement would be subject to WestSide obtaining finance to fund the transaction.

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. Where services are provided to foreign customers, the Group denominates amounts payable in Australian currency to limit its exposure to foreign currency fluctuations.

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 firm orders have been placed.

27 Financial risk management (continued)

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 2011.

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:

2011 Consolidated		Foreign exchange risk				Interest rate risk	
		-10%		+10%		-10%	+10%
	Carrying amount $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit $'000	Profit $'000
Financial assets							
Cash and cash equivalents	23,053	-	-	-	-	(119)	119
Trade and other receivables	2,751	-	-	-	-	-	-
Financial liabilities							
Trade and other payables	(9,340)	(23)	-	19	-	-	-
Borrowings	(36)	-	-	-	-	-	-
Total increase / (decrease)		**(23)**	**-**	**19**	**-**	**(119)**	**119**

2010 Consolidated		Foreign exchange risk				Interest rate risk	
		-10%		+10%		-10%	+10%
	Carrying amount $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit $'000	Profit $'000
Financial assets							
Cash and cash equivalents	73,794	-	-	-	-	(390)	390
Trade and other receivables	3,959	-	-	-	-	-	-
Financial liabilities							
Trade and other payables	(5,692)	(5)	-	4	-	-	-
Borrowings	(54)	-	-	-	-	-	-
Total increase / (decrease)		**(5)**	**-**	**4**	**-**	**(390)**	**390**

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 32 days (2010: 149 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 $1.0739 (2010: $0.8523) and an interest rate of 5.16% pa (2010: 5.29%).

27 Financial risk management (continued)

Credit risk

The Group has no significant concentrations of credit risk. Cash transactions and deposits are with high credit quality financial institutions. 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

(a) Summary financial information

	2011 $'000	2010 $'000
Assets		
Current assets	**24,715**	82,192
Total assets	**112,621**	107,635
Liabilities		
Current liabilities	**9,847**	5,900
Total liabilities	**9,916**	6,028
Shareholders' equity		
Contributed equity	**110,479**	107,316
Share option reserve	**630**	571
Performance rights reserve	**342**	77
Accumulated losses	**(8,746)**	(6,357)
Total shareholders' equity	**102,705**	101,607
Loss for the year	**(2,389)**	(1,629)
Total comprehensive income	**(2,389)**	(1,629)

(b) Parent Entity contingent liabilities

The Parent Entity is a party to Deeds of Cross Charge as set out in Note 18 and has an obligation to acquire joint venture assets in certain circumstances 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 $5,740,640 (2010: $720,640) 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 $179,360 (2010: $175,211) 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 $11,092 (2010: $6,944) at balance date.

Cash of $100,000 (2010: $70,000) is held as collateral to secure a corporate credit card facility pursuant to a right of set-off. An amount of $19,000 (2010: $13,000) was owed under the corporate credit card facility at balance date.

(c) Parent Entity commitments

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

Directors' declaration

30 June 2011
WestSide Corporation Limited

In the Directors' opinion:

(a) the financial statements and notes set out on pages 49 to 91 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 Company's and Consolidated Entity's financial position as at 30 June 2011 and of their 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.

A Karoll
Director

Brisbane, 26 September 2011

Audit report

30 June 2011
WestSide Corporation Limited

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 balance sheet as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and 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 Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at the 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 controls 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. These Auditing 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 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.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

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

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Audit report (cont'd)

30 June 2011
WestSide Corporation Limited

Independence

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

Auditor's opinion on the financial report

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 2011 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*, and

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

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 36 to 46 of the directors' report for the year ended 30 June 2011. 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 2011, complies with section 300A of the *Corporations Act 2001*.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report and remuneration report of WestSide Corporation Limited (the company) for the year ended 30 June 2011 included on Westside Corporation Limited's web site. The company's directors are responsible for the integrity of the Westside Corporation Limited web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report and remuneration report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report or the remuneration report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report and remuneration report to confirm the information included in the audited financial report and remuneration report presented on this web site.

PricewaterhouseCoopers

PricewaterhouseCoopers

Brett Delaney

Brett Delaney
Partner

Brisbane, 26 September 2011

Shareholder information

30 June 2011
WestSide Corporation Limited

The shareholder information set out below was applicable as at 20 September 2011.

A. Distribution of equity securities

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

	Ordinary shares	Performance Rights	Incentive Options
Number of securities held	Shareholders	Rightholders	Optionholders
1 - 1,000	94	-	-
1,001 - 5,000	378	-	-
5,001 - 10,000	363	-	-
10,001 - 100,000	985	14	-
100,001 and over	168	7	7
	1,988	**21**	**7**

There were 123 holders of less than a marketable parcel of ordinary shares.

B. Equity security holders

Twenty largest quoted equity security holders

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

	Ordinary Shares	
Name	Number held	Percentage of issued shares
UNIFORD PTY LTD	49,802,000	19.6
JP MORGAN NOMINEES AUSTRALIA LIMITED<CASH INCOME A/C>	33,916,038	13.3
PT BUMI RESOURCES TBK	22,289,885	8.8
CITICORP NOMINEES PTY LIMITED	20,450,273	8.0
MR ANGUS NELSON KAROLL	12,743,845	5.0
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,456,751	2.1
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	5,245,340	2.1
MITCHELL FAMILY INVESTMENTS (QLD) PTY LIMITED	5,188,138	2.0
PRUDHOE INVESTMENTS PTY LTD	4,444,445	1.7
RESOURCE & LAND MANAGEMENT SERVICES PTY LIMITED	2,980,208	1.2
JP MORGAN NOMINEES AUSTRALIA LIMITED	2,021,973	0.8
STOLIGOR INVESTMENTS PTY LTD	1,900,000	0.7
AWJ FAMILY PTY LIMITED	1,860,000	0.7
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LIMITED	1,460,798	0.6
EIFFEL INVESTMENTS PTY LTD	1,436,200	0.6
MR IAN MORTON & MRS DEBORAH MORTON	1,270,967	0.5
BNG (SURAT) PTY LIMITED	1,250,000	0.5
HEYERS AUTOS PTY LTD	1,200,000	0.5
MR IGOR STOLYAR	1,200,000	0.5
MR RALPH LESLIE O'SHEA & MRS ZITA DAUNT	1,126,525	0.4
Total	**177,243,386**	**69.7**

Shareholder information (cont'd)

30 June 2011
WestSide Corporation Limited

Unquoted equity securities

	Number on issue	Number of holders
Ordinary shares	3,912,160*	19
Incentive Options issued under the WestSide Director and Employee Incentive Option Plan	2,072,000	7
Employee Performance Rights issued under the WestSide Employee Performance Rights Plan	2,890,000	21

* Mr Angus Nelson Karoll holds 3,500,000 unquoted ordinary shares.

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	49,802,000	19.6
Australia and New Zealand Banking Group Limited	33,782,000	13.3
Saad Investments Company Limited (1)	25,500,000	10.0
Citicorp Nominees Pty Limited(1)*	25,500,000	10.0
PT Bumi Resources TBK	22,289,885	8.8
Mr Angus Nelson Karoll	17,312,770	6.8

* Relevant interest is held in capacity as prime broker with power to control the disposal of shares.
(1) These relevant interests are all in respect of the same shares.

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. Restricted securities

Class	Date escrow period ends	Number of securities
Ordinary shares	29 September 2011	3,500,000

F. Interests in tenements

Tenement	Location	WestSide Interest
PL94	Bowen Basin - Queensland	51%
ATP 688P	Bowen Basin - Queensland	50%
ATP 769P	Bowen Basin - Queensland	50%
ATP 974P	Galilee Basin - Queensland	51%(1)
ATP 978P	Galilee Basin - Queensland	51%(1)

(1) 100% interest reduced to 51% effective 1 August 2011.

Corporate Governance Statement

30 June 2011
WestSide Corporation Limited

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 2011 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:

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.	Refer to discussion below (Independence of Directors).
The roles of the Chairman and CEO should not be exercised by the same person.	Chairman was also CEO up to 30 August 2010.	Dual role was appropriate while recruiting for CEO.
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 should consist of at least 3 members, all of whom are non-executive, the majority being independent and an independent Chairman who is not Chairman of the Board.	There were three members from 23 July 2010, with the majority being independent.	Refer to discussion below (Board composition).
Audit Committee Charter should be made publically 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 and senior executives.	Board performance has been monitored informally on an ongoing basis by the Chairman. Detailed performance evaluation procedures are currently being developed. Executive performance is reviewed periodically by the Board.	Board performance has been monitored informally on an ongoing basis by the Chairman. Detailed procedures are being formulated. Once approved by the Board, the process will be disclosed on the Company website.
Remuneration Committee should be established.	A Remuneration Committee was appointed during the year. The Committee's first meeting was held in August 2011 to coincide with the annual remuneration review. The Board had previously performed the duties that would otherwise be dealt with by a separate Remuneration Committee.	Up until the current year, the Board believed that WestSide is not of sufficient size or complexity to warrant formation of a separate Remuneration Committee.

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 Securities Trading Policy was updated in December 2010 to comply with the minimum requirements of the new ASX Listing Rule 12.12 which came into effect on 1 January 2011.

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. As at 30 June 2011, no formal appraisal had been conducted for Directors, although Board performance is monitored informally on an ongoing basis. It is anticipated that formal procedures will be established and appraisals will be performed in the 2011 / 2012 financial year.

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.

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.

The Company has recently implemented a new Diversity Policy[1] to promote diversity at all levels of the Company.

[1]A summary of these documents 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 pages 26 and 27 of this Annual Report. The number of meetings held, and the attendance of each Director are set out in the Directors' Report.

WestSide's founding shareholder and Non-executive Director A Karoll served as Chairman and CEO until 30 August 2010 when a CEO was appointed.

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 2011 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.

The Board believes that the current balance of executive and Non-executive Directors and between independent and non-independent Directors provides WestSide with the benefit of a wide range of experience, qualifications and professional skills.

The Board believes that in the early years of the Company's development the technical and financial support of major stakeholders is essential in maximising the value of the Company's 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 of, 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 consisted of three Non-executive Directors, A Gall, J Clarke and T Karoll since Mr Clarke joined the Committee on 23 July 2010.

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

During the year, the Board formed a Remuneration Committee consisting of three Non-executive Directors, J Clarke (Chairman), A Gall and R Neale. The Board held its first formal meeting after the end of the financial year to coincide with the first annual remuneration review since the Committee was formed. The responsibilities of the Remuneration Committee were previously handled by the Board.

The role of the Remuneration Committee is to support and advise the Board on remuneration and remuneration related matters with a view to aligning the interests of employees and shareholders. Recommendations will be 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 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 at 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 2001* 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.

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 Ltd
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
Fracture stimulation	Artificially creating fractures in the coal surrounding a well bore by injecting fluid at high pressure into the well bore
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)
KPC	Kaltim Prima Coal – a company incorporated in Indonesia which owns and operates coal mines in Kalimantan, Indonesia
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

Corporate Directory

WestSide Corporation Limited

ABN 74 117 145 516
ACN 117 145 516

Business Office

Level 8, 300 Queen St
Brisbane QLD 4000

Phone: 07 3020 0900
Fax: 07 3020 0999

Postal address
GPO Box 1121
Brisbane QLD 4001

Web: www.westsidecorporation.com
Email: info@westsidecorporation.com

Registered Office

Level 8, 300 Queen St
Brisbane QLD 4000

Directors

Angus Karoll
Executive Chairman

John Clarke
Non-executive Director

Tony Gall
Non-executive Director

Trent Karoll
Non-executive Director

Nathan Mitchell
Non-executive Director

Robert Neale
Non-executive Director

Chief Executive Officer

Julie Beeby

Company Secretary

Damian Galvin

Auditors

PricewaterhouseCoopers
Riverside Centre
123 Eagle Street
Brisbane QLD 4000

Solicitors

Allens Arthur Robinson
Level 31
Riverside Centre
123 Eagle Street
Brisbane QLD 4000

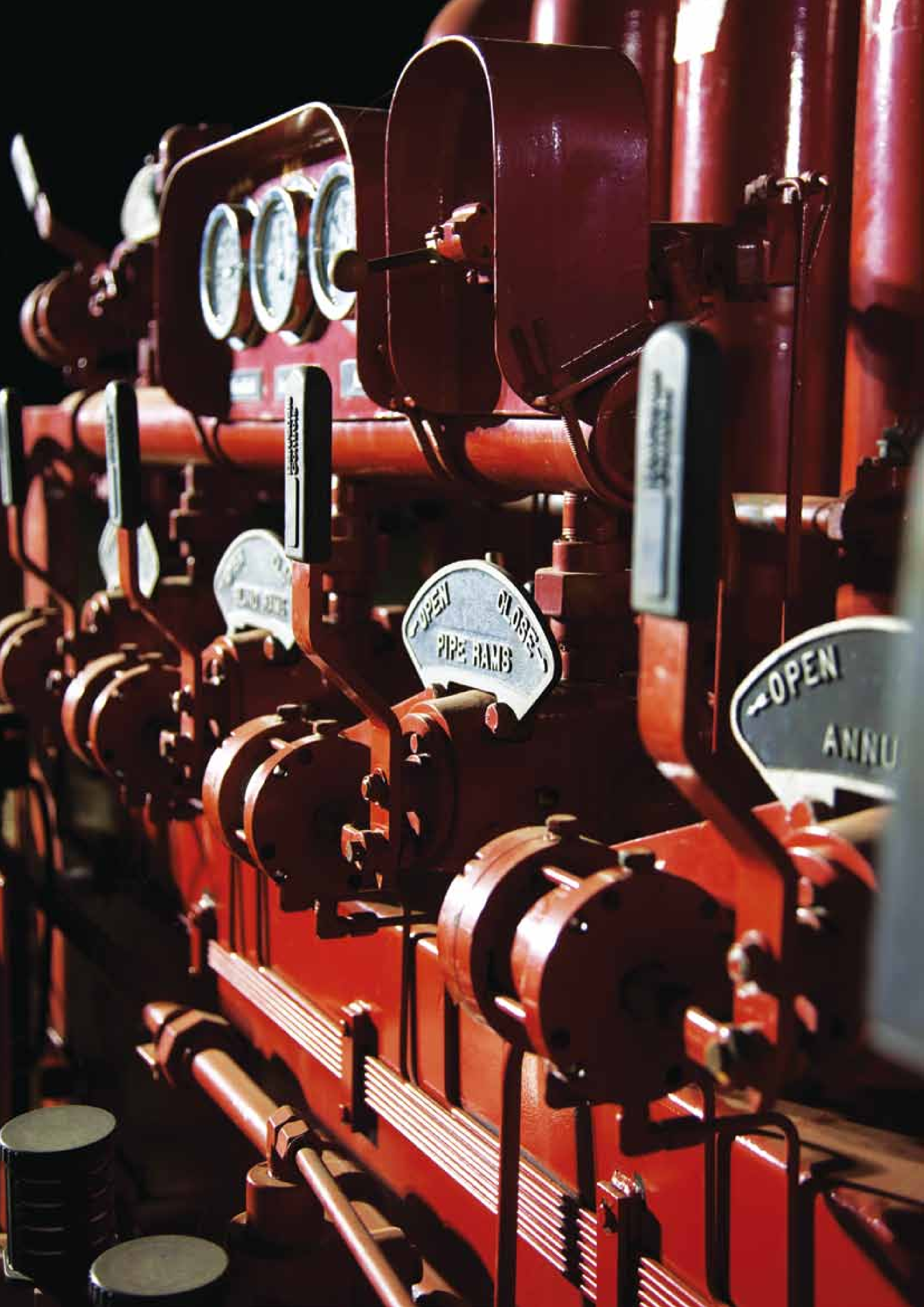
Share Registry

Boardroom Pty Ltd
Level 7, 207 Kent Street
Sydney NSW 2000
Phone: 1300 737 760
Fax: 1300 653 459
Sydney, NSW, 2000

The reserves estimates for the Meridian SeamGas Project located in the Bowen Basin, Queensland, Australia, contained in our report dated July 27, 2011, were compiled by Mr. John Hattner of Netherland, Sewell & Associates, Inc. and are consistent with the definitions of reserves that appear in the Australian Stock Exchange (ASX) Listing Rules. Mr Hattner consents to the use of the reserves estimates for general release by WestSide Corporation Ltd for use in Quarterly reports, Annual reports, or Broker requests.

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

Notes


OPEN
CLOSE
PIPE RAMS
OPEN
ANNU