



WESTSIDE CORPORATION LIMITED OPERATIONAL REPORT



SUMMARY

- Gas production and dewatering operations continued at WestSide's two Coal Seam Gas (CSG) pilots in the Bowen Basin;
- Planning for the expansion of the 2009 exploration and appraisal program commenced, including two new prospective areas to the north of the Tilbrook pilot in ATP688P;
- Delivery of a new drilling rig which will reduce drilling costs and provide timely access to world-class equipment;
- Workovers to enhance production testing of three pilot wells were completed in January 2009;
- New staff appointments have strengthened WestSide's technical team;
- Revised gas in place estimates for the Tilbrook pilot confirm an estimate of 306 billion cubic feet in the current area; and
- Strengthened the Board with the appointment of former Mitchell Drilling CEO Nathan Mitchell as Director.

Outlook

Bowen Basin

Over coming months WestSide Corporation Limited (ASX Code: WCL) will continue to focus on production testing at the Paranui and Tilbrook coal seam gas (CSG) projects in central Queensland's Bowen Basin including preparations for a new drilling and fracturing program.

The Paranui pilot includes three appraisal wells and two observer wells. Production testing will continue with reservoir pressure and differential seam production monitored from the observation wells.

The four-well Tilbrook pilot includes two appraisal wells and two observer wells. The two appraisal wells are currently being subjected to an extended production test, with reservoir pressure and differential seam production to be monitored from the observation wells.

WestSide and BG-controlled Queensland Gas Company Ltd (QGC) are close to formalising their new joint venture arrangements in the Bowen Basin. The parties will finalise plans for the next stage of exploration and appraisal at

Paranui, including the possibility of drilling new core wells and performing fracturing tests to provide further data for subsequent reserve certification upgrades.

Plans for further production wells at Tilbrook including a horizontal well and exploratory wells in the recently-identified Bald Hill fairway and Mount Saint Martin precinct to the north of the Tilbrook pilot are being considered by the joint venturers. If exploration proves to be successful, these areas could make a substantial contribution to WestSide's gas resource.

WestSide's new Schramm TXD drilling rig will be commissioned in the first half of 2009 to ensure that future drilling programs are not delayed by equipment shortages. It is proposed that the rig will be operated by an existing operator and made available to WestSide as required.

Indonesia

WestSide's partner in Indonesia, PT Bumi Resources is completing formalities to obtain the necessary permits to enable Coal Seam Gas exploration at its Kaltim Prima Coal mine site in Indonesia.



PROJECTS

Bowen Basin

Operations at WestSide's two CSG pilots continued during the quarter. Dewatering of production wells continued, with three wells being upgraded with new pumps and production tubing in January to combat the wear and tear on components. Component fatigue is typically experienced during the initial period following well commissioning as a result of coal debris entering the well.



Paranui (ATP 769P)

(WestSide interest 50%; QGC 50%)

The Paranui pilot comprises three appraisal wells (Paranui #5R, #6R and #8) and two observer wells (Paranui #4 and #7). The status of these wells at the date of this report is set out below.

Dewatering of the wells has progressed under controlled conditions to prevent well bore damage. Production from the Paranui #6 well continued throughout the period at steady rates and the Paranui #5 appraisal well produced gas at increasing rates in November until equipment failure resulted in the well being shut-in. Production commenced again in January following a workover to install new equipment.

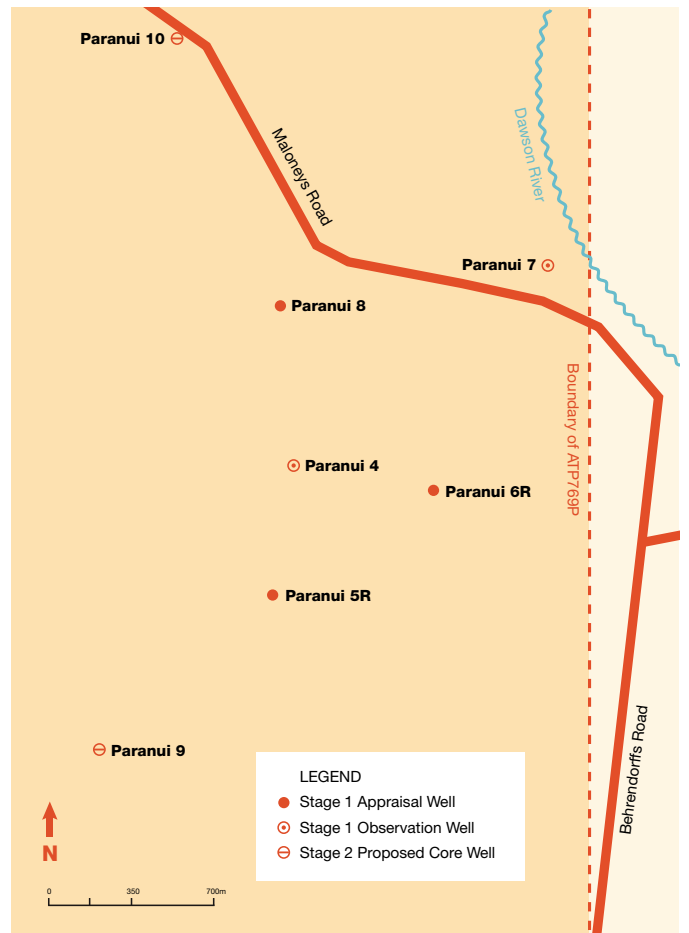
Testing of the unstimulated Paranui #8 well will continue in February following a workover to clean accumulated coal fines from the slotted liner.

The Paranui #4 well will be completed as an observation well with down-hole sensors to measure pressure changes in the major coal seams at the centre of the pilot.

Data collected from the wells will be assessed to provide resource estimates and will form the basis for a Petroleum Lease Application and reserves certification in 2009.

WestSide and new joint venturer, QGC expect to sign a new Joint Operating and Production Agreement in early February. The parties are currently considering plans for the next stage of exploration and appraisal at Paranui, including further testing and the possibility of drilling new core wells after the wet season to provide further data for gas reserve expansion.

Paranui CSG Pilot



Tilbrook (ATP 688P)

(WestSide interest 50%; QGC 50%)

The Tilbrook pilot is designed to appraise the Moranbah Coal Measures and is comprised of two appraisal wells (Tilbrook #7 and #8) and two observation wells (Tilbrook #4 and #6).

Dewatering of the two Tilbrook appraisal wells continued throughout the quarter. An extended production test of both wells is planned to continue for several months.

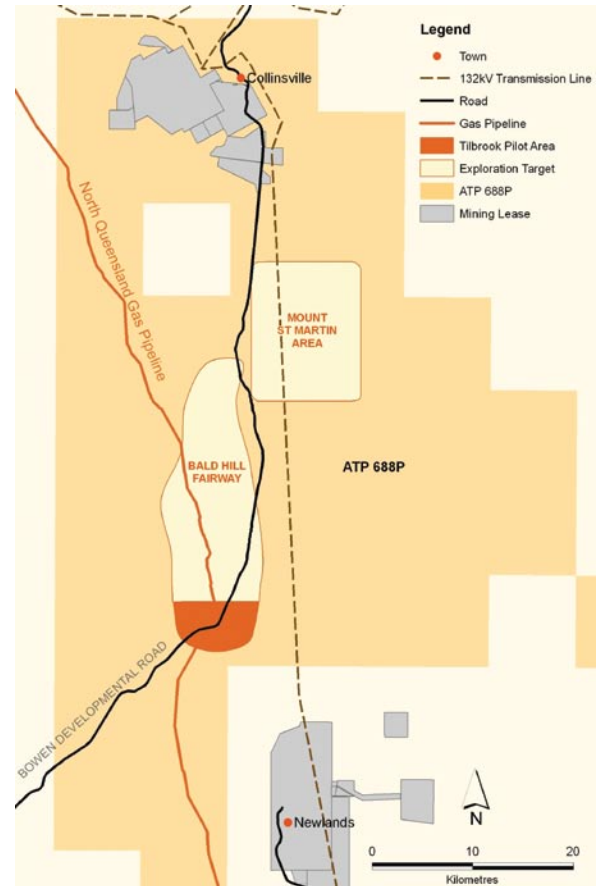
New pumps were installed in the two appraisal wells in January and accumulated coal fines were flushed from the wells to optimise production.

Analysis of existing data available for the recently-identified potential production fairway at Bald Hill, extending 25km north of the current Tilbrook wells continued. WestSide has now identified another highly-prospective area to the north-east of Tilbrook, Mount Saint Martin. These two areas have the potential to make a significant contribution to WestSide's gas resource.

Following a detailed study of available data in the Tilbrook pilot area, gas in place of 306 billion cubic feet has been confirmed (on a best estimate basis) within the 75km² area. This Tilbrook area comprises approximately only 10% of the total area in the prospective precincts of ATP688P which includes the Bald Hill and Mount Saint Martin targets.

WestSide and new joint venturer, QGC expect to sign a new Joint Operating and Production Agreement in early February. The parties are currently considering plans for the next stage of exploration and appraisal at Tilbrook and the two prospective areas to the north.

Tilbrook CSG Pilot



International Developments

WestSide has agreements with Indonesia's leading thermal coal producer, PT Bumi Resources, to jointly explore for CSG in Indonesia. Bumi subsidiaries PT Kaltim Prima Coal (KPC) and PT Arutmin Indonesia are together, by far, the largest thermal coal producers in Indonesia.

WestSide and Bumi Resources' jointly-owned company, PT Seamgas Indonesia, have prepared a project definition study to identify CSG resources at the KPC mine site in Kalimantan.

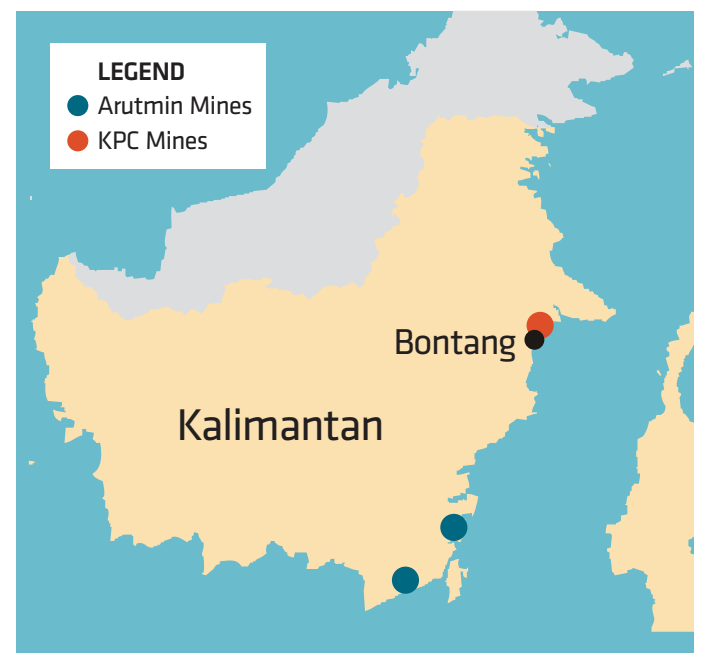
Kaltim Prima Coal - Kalimantan

(WestSide beneficial interest: 50%; Kaltim Prima Coal: 50%)

WestSide, KPC and US-based CSG consultants Advanced Resources International (ARI) have completed a Project Definition Study (PDS) assessing the CSG potential of selected areas of the 91,000 hectare KPC coal mining permit site in Kalimantan.

WestSide's partner in Indonesia, PT Bumi Resources is completing formalities to obtain the necessary permits to enable CSG exploration at the Kaltim Prima Coal mine site.

Indonesian Locations



Corporate

Resourcing for growth

With activity expected to increase markedly in 2009, WestSide has moved to strengthen its resources with new appointments and re-locating to more accommodating premises.

WestSide has gathered an enhanced technical team, headed by new Chief Operating Officer, Simon Mewing. Simon brings a rare mix of technical and commercial experience that will prove valuable to the Company as it works to commercialise its gas resources.

In January, WestSide appointed two experienced petroleum engineers to meet the expected increased workload from the planned 2009 exploration and appraisal program including the appointment of Chief Petroleum Engineer, Paul Renouf, who was previously employed by Santos' coal seam gas division.

WestSide moved into new offices in Brisbane in December to accommodate its growing staff team.



Board Appointment – Nathan Mitchell

During the quarter WestSide appointed former Mitchell Drilling Corporation CEO Nathan Mitchell as a non-executive Director of the Company.

Nathan has been heavily involved in the growth of the CSG industry in Australia and overseas since its inception in the 1990's.

Chairman Angus Karoll welcomed Nathan's appointment and stated his experience will be invaluable as WestSide moves toward reserve certification and plans the expansion of its current program.

"As one of Australia's most experienced CSG drillers, Nathan will bring a lifetime of drilling knowledge to WestSide," Mr Karoll said.

"Nathan's experience is sure to assist WestSide in its efforts to reduce drilling costs and secure the services of appropriate equipment for our 2009 program."

For more professional information on Nathan Mitchell please visit the 'Our People' section at www.westsidecorporation.com.

About WestSide Corporation Ltd

WestSide Corporation Limited is an ASX-listed company (ASX code: WCL) with interests in coal seam gas (CSG) projects in Queensland and Indonesia.

WestSide is currently operating an exploration and appraisal program at the Paranui and Tilbrook sites in Queensland's Bowen Basin, and is also assessing the CSG potential of several coal deposits in Indonesia through its relationship with PT Bumi Resources TBK, one of Indonesia's largest coal miners.

For more information:

Visit our website at
www.westsidecorporation.com or contact:

WestSide Corporation Ltd
Angus Karoll
Chairman and Acting CEO
07 3020 0900

Media
Anna O'Gorman
Principal Consultant
Three Plus
07 3503 5700

