



# WESTSIDE CORPORATION LIMITED OPERATIONAL REPORT



## HIGHLIGHTS

- Gas production and dewatering operations continued at WestSide's two CSG pilots in the Bowen Basin, with a number of workovers conducted on pilot wells to test and enhance production;
- New joint venture operating agreements were executed with QGC, formalising the joint operations in ATP 688P and ATP 769P;
- An \$8 million exploration and appraisal program in ATP 688P targeting gas reserves with horizontal wells at Tilbrook and new resources in the Mount Saint Martin and Bald Hill areas was announced. Drilling commenced in April;
- A \$10 million exploration and appraisal program at Paranui in ATP 769P was confirmed for 2009, with new core and appraisal wells planned;
- Gas in place estimates for ATP 688P were increased to 2,950 billion cubic feet (bcf) after a study of the prospective Bald Hill and Mount Saint Martin areas to the north of the Tilbrook pilot and the Rangal and Fort Cooper Coal Measures;
- Studies identified gas in place of up to 1,010 bcf in ATP 769P at depths down to 1,000 m;
- \$18 million in new equity was raised from the exercise of options and associated underwriting and share placements;
- Commissioning of a new drilling rig commenced. Access to this rig is expected to provide timely access to world-class equipment and reduce drilling costs; and
- New staff appointments strengthened WestSide's technical team.

## Outlook

### Bowen Basin

**Over coming months WestSide Corporation Limited (ASX Code: WCL) will focus on achieving initial certification of gas reserves at the Paranui and Tilbrook coal seam gas (CSG) projects in central Queensland's Bowen Basin.**

Chairman and acting-CEO Angus Karoll said the second quarter of 2009 will see unprecedented activity in WestSide's corporate development and exploration pursuits.

"Considerable progress in WestSide's Bowen Basin CSG exploration program has been made and we plan on pursuing this aggressively over coming months," Mr Karoll said.

"The 2009 works program at the Paranui and Tilbrook tenements supports WestSide's broader strategy of commercialisation of its gas resources, identifying and proving up new reserves and seeking new opportunities," he said.

"WestSide is well-resourced to execute this strategy with \$27 million cash at bank, bolstered by \$18 million worth of capital raisings in March / April."

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. A new core well will be drilled in June to provide gas saturation data and further core and appraisal wells are planned for later in the year.

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.

"Plans for further wells in the current quarter at Tilbrook include WestSide's first horizontal well. Core wells will be drilled in May in the recently-identified Bald Hill fairway and Mount Saint Martin precincts to the north of the Tilbrook pilot in an effort to unlock the gas potential of the coals in the expanded exploration area," Mr Karoll said.

"WestSide would expect to deliver incremental increases and upgrades to the initial reserve figures in the next twelve months as the Company expands its appraisal program."

"WestSide's new Schramm TXD drilling rig is expected to be commissioned in June. Access to this rig will ensure that future drilling programs are not delayed by equipment shortages."

It is proposed that the rig will be operated by a drilling contractor 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.



## 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.

Well name	Well type	Completion	Depth	Net coal	Status
Paranui #4	Observation	Sensors to be installed to monitor individual coal seams	975m	24.5m	Monitoring
Paranui #5R	Appraisal	Cased to full depth and fracture-stimulated across six deepest coal seams	1,033m	21.5m	Testing
Paranui #6R	Appraisal	Cased to full depth and fracture-stimulated	880m	23.4m	Suspended
Paranui #7	Observation	Sensor installed to monitor top four seams	1,061m	Not measured	Monitoring
Paranui #8	Appraisal	Slotted casing, coal seams under-reamed	1,061m	21.3m	Testing

The Paranui #5R and #8 wells were subjected to workovers in January / February to repair equipment and clear accumulated coal fines. Production continued following the workovers. Workover operations on the Paranui #6R well were suspended with the well blocked by downhole equipment. Retrieval attempts to date have been unsuccessful and the well will remain suspended indefinitely.

Data collected from the wells has been forwarded to WestSide's reserves experts to form the basis for reserves certification and a Petroleum Lease Application later in the year.

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

Studies of the tenement area confirmed that the 25 km<sup>2</sup> Paranui pilot area contains an estimated 290

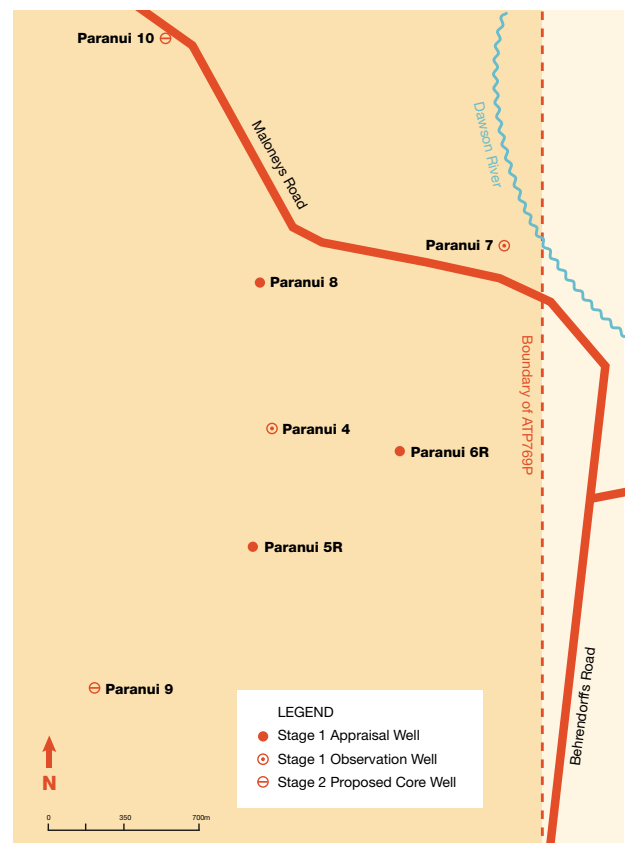
bcf of gas in place, while the tenement contains an estimated 1,010 bcf of gas in place to a depth of 1,000m.

WestSide and new joint venturer, QGC, signed a new Joint Operating and Production Agreement in February, formalising the joint venture arrangements and confirming WestSide's ongoing operatorship of activities in the Paranui area.

The joint venturers have approved an aggressive \$10 million exploration and appraisal program for 2009, including:

- Two new core wells;
- 10km of seismic acquisition;
- Conversion of the Paranui #4 observation well to an appraisal well;
- Stimulation of the Paranui #5 well in the upper coal seams; and
- Drilling and testing of up to three new appraisal wells.

## Paranui CSG Pilot



# QUARTERLY REPORT

## 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).

Well name	Well type	Completion	Depth	Net coal	Status
Tilbrook #4	Observation	Four sensors installed	517m	13.3m	Monitoring
Tilbrook #6	Observation	Single sensor installed	553m	7.4m	Monitoring
Tilbrook #7	Appraisal	Slotted casing, coal seams under-reamed	573m	12.3m	Testing
Tilbrook #8	Appraisal	Slotted casing, coal seams under-reamed	535m	15.0m	Testing

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.

Studies of available data have confirmed an estimated gas in place of 2,950 bcf in the northern part of the tenement. This estimate includes the prospective Bald Hill and Mount Saint Martin targets and 306 bcf within the 75km<sup>2</sup> Tilbrook pilot area.

WestSide and new joint venturer, QGC signed new Joint Operating and Production Agreements in February, formalising the joint venture arrangements and confirming WestSide's ongoing operatorship of activities in the most prospective areas of the tenement.

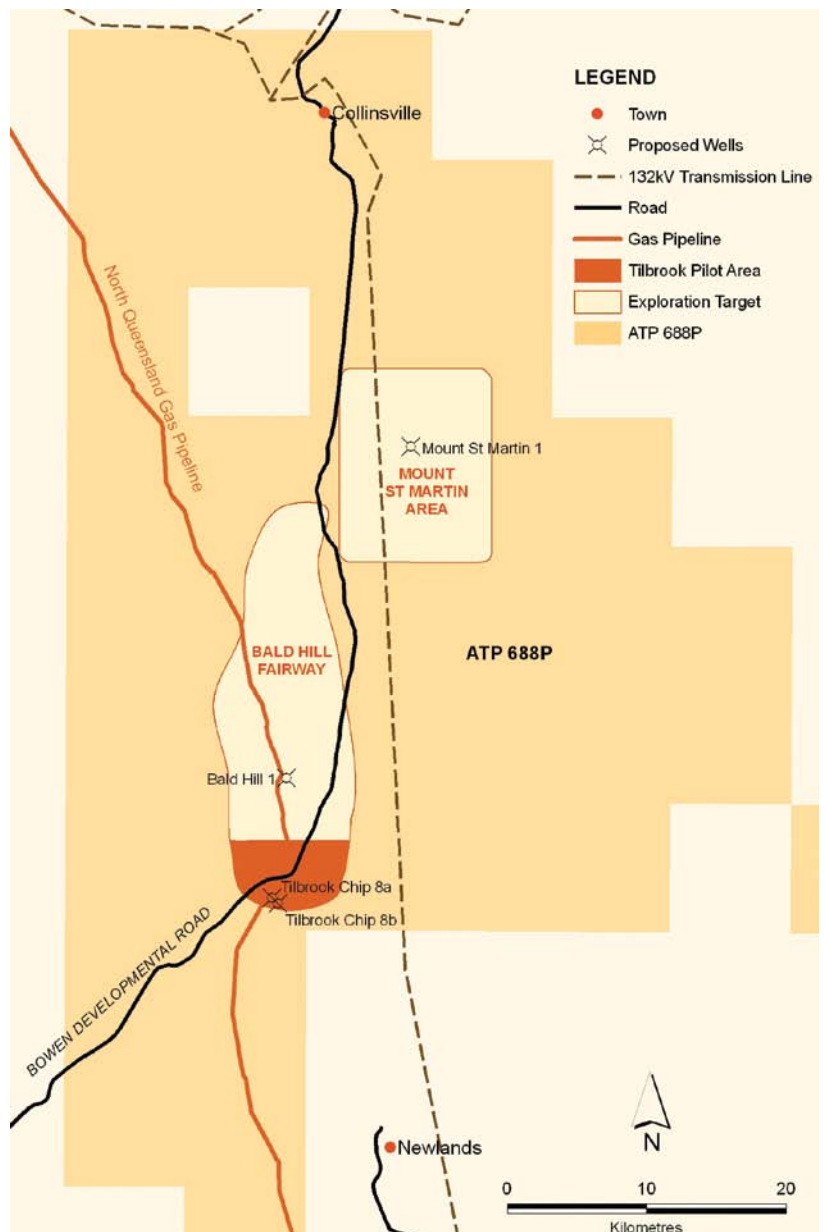
The joint venturers have approved an \$8 million exploration and appraisal program for 2009, including :

- Up to three new dual-lateral horizontal wells;
- 9km of seismic acquisition;
- Up to two new core wells at Bald Hill; and
- One new core well at Mount Saint Martin

Targets for the Rangal and Fort Cooper Coal Measures are being identified.

In April, WestSide drilled the Tilbrook #8A exploration well and commenced drilling the Tilbrook #8B well. The Tilbrook #8A and #8B wells aim to confirm the depths and thickness of the target coal seams. Data acquired will be used in the final planning for two horizontal wells targeting the "P" seam of the Moranbah coal measures. The horizontal wells will intersect the existing Tilbrook #8 appraisal well, with drilling scheduled to commence in May.

## ATP 688P Location



## Corporate

### Conversion of options raises \$18 million of new capital

Substantial support from the investment community resulted in WestSide raising a total of \$18 million from a combination of the underwritten exercise of options and a share placement in March / April. The increased interest in WestSide's activities resulted from a series of presentations to brokers and investors in Sydney, Melbourne and Brisbane in March.

WestSide now has cash resources of \$27 million leaving the Company well-placed to fund ongoing activities and future growth.

### Resourcing for growth

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.



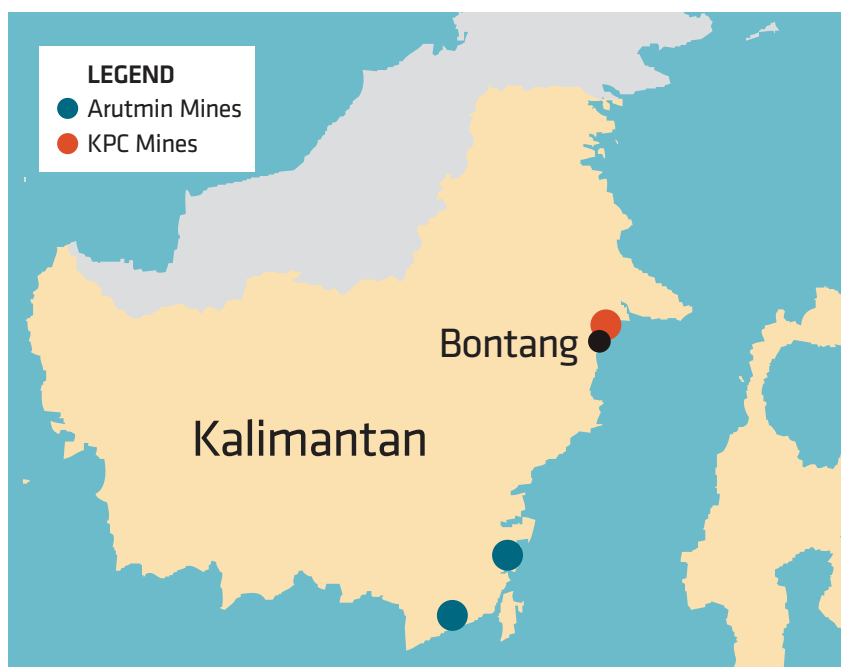
## International

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 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.

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



## 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 ATP 769P (Paranui) and ATP 688P (Tilbrook, Mount Saint Martin and Bald Hill) 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](http://www.westsidecorporation.com) where you can also register to receive WestSide announcements by email, or contact:

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