

Australia's LNG set for global reach

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With two projects already on their way to construction, the State eagerly awaits the rest.

"Australia Pacific LNG (ConocoPhillips and Origin) have their project approvals sitting with the Federal Government at the

moment," Mr Roche said, "so we may well see another FID on a third LNG project very soon this year.

"And then Shell, in conjunction with PetroChina, are working very systematically on their EIS, and while they are fourth in the queue they are showing every sign of determination to have a LNG project that

they can present to the State and Federal Governments for project approvals during the next 12 months.

"It is pretty mind-boggling when you think about the sorts of numbers of construction workers in Gladstone and in the gas fields to cope with three or four significant LNG projects.

"People think of Queensland as a coal mining State and that is true, but when we look at where coal is today, at around a \$30 billion, with the addition of LNG we're looking at adding this decade a \$10 billion part of the industry that doesn't exist today," said Mr Roche.

Focus on Meridian reserve and production upgrades

DURING the first half of 2011, WestSide Corporation will continue an aggressive two-pronged drilling program at the Meridian SeamGas CSG fields near Moura to increase reserves and demonstrate its capability to be a long-term supplier to major markets such as LNG.

Up to four rigs have been deployed on the program, which has also involved upgrading roads and drill pads to enable work to continue whenever possible during the wet season. WestSide, which operates Meridian SeamGas in joint venture with Mitsui E&P Australia, launched a 16-well reserves expansion exploration program in November 2010, targeting a gross increase of 200PJ of 2P reserves this year.

Chief executive officer Dr Julie Beeby said the Meridian SeamGas joint venture, in which WestSide has a 51 per cent operating interest, aimed to prove up additional 2P gas reserves while simultaneously ramping up field production.



Schramm drilling rig at WestSide Meridian SeamGas's Pretty Plains field

"We are fully committed to demonstrating the untapped value of the Meridian SeamGas CSG fields in terms of latent reserves, production capability, strategic location, and connectivity to Gladstone and other east coast markets via the Queensland Gas Pipeline," Dr Beeby said.

WestSide launched its production drilling program in July 2010, to establish a series of

new dual-lateral well sets in conjunction with a well work-over program to lift field output towards 25TJ a day by late 2012.

The reserves expansion program, involving 7 pilot wells and 9 exploration core or chip holes, has the potential to more than double WestSide's present 94PJ share of Meridian SeamGas's 2P reserves.

Dr Beeby said the strategy involved

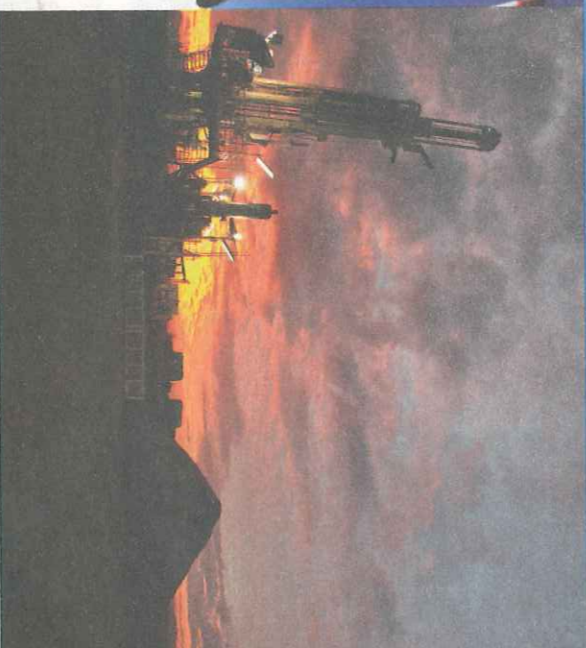
drilling either a core hole or chip hole ahead of each of the pilot wells as a means of de-risking the program, verifying permeability and confirming connectivity.

"Our aim is to complete this reserves expansion exploration program and capture sufficient production data from the pilots to achieve a reserves upgrade for Meridian as soon as possible," she said.

The company will also be testing production from two new pilot sites within ATP 769P (Paranui, adjacent to Meridian SeamGas) and ATP 688P (Mount Saint Martin) this year, and conducting exploration in previously unexplored areas including its Galilee Basin tenements.

The Meridian SeamGas fields comprise a range of CSG assets including a petroleum lease, gas rights in mining leases, and gas compression and pipeline infrastructure connected to Queensland's commercial gas network – with significant capacity for expansion.

WestSide - Australia's newest CSG producer



Now supplying gas from the Meridian SeamGas CSG fields in the Bowen Basin:

- Large certified reserve position
- Supply contract in place
- Infrastructure with ample capacity for growth
- Operator in partnership with Japanese major, Mitsui
- LNG export potential targeted
- Assets strategically located near existing CSG projects

Aggressive growth planned:

- New Galilee Basin targets
 - Expanded appraisal programs underway in Bowen Basin
- Entry point to the booming CSG sector