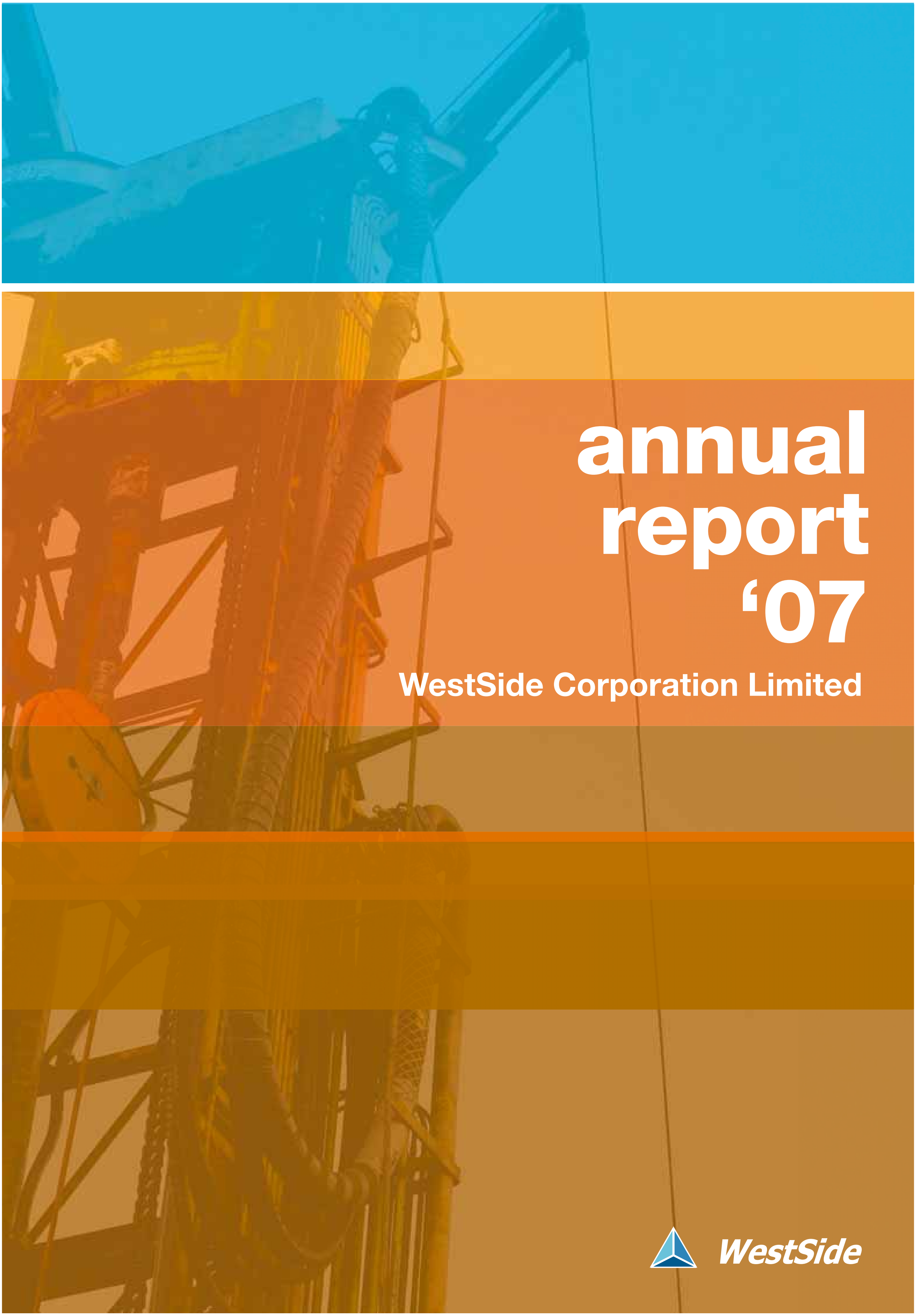


annual report ‘07

WestSide Corporation Limited

WestSide

Company Profile

WestSide was established in November 2005 to participate in the development of Australian coal seam gas (CSG) projects. The Company aims to service the growing regional market for natural gas and capitalise on opportunities for downstream integration into the ammonia industry. WestSide Corporation Limited undertook its Initial Public Offering in November 2006 and listed on the ASX in January 2007.

The Company's initial operational focus has been farm-in agreements with Sunshine Gas Limited to earn a 50% interest in four exploration tenements in central Queensland's Bowen Basin, covering some 16,000 square km.

Through the relationship with cornerstone investor, Bumi Resources, WestSide will also undertake a joint role in the assessment and potential development of CSG resources in Kalimantan, Indonesia with Bumi subsidiaries Kaltim Prima Coal and Arutmin Indonesia.

WestSide's primary goals are to:

- Prove up CSG reserves in the farm-in tenements with an initial target of 250 Petajoules;
- Fulfill its obligations under the farm-in agreements;
- Build a portfolio of prospective CSG assets;
- Develop commercial production capability for direct marketing or downstream processing of gas; and
- Develop downstream gas processing to expand market opportunities.

Front cover: Drilling rig at Paranui
This page: Drilling operations at Paranui

index

chairman's letter

Michael Cavell – Chairman

"WestSide is now entering an exciting phase as we pursue our ambition of becoming an integrated energy business."

Dear Shareholders

I am pleased to present to you WestSide Corporation Limited's first Annual Report as a publicly-listed company and to advise you that we ended the 2007 financial year with a high level of optimism about the future.

The Company was formed in 2006 by Angus Karoll to secure access to coal seam gas (CSG) reserves in Queensland's Bowen Basin and to expand market opportunities through downstream processing of gas into ammonia.

The Board took this vision to the investment community after the Sunshine Gas farm-in was secured and WestSide's development plans won strong support.

The Company completed a successful Initial Public Offering in January this year and attracted the backing of two international cornerstone investors during the process to raise almost $30 million.

Since listing on the Australian Stock Exchange we have moved to rapidly progress our exploration and development ambitions. We commenced all on-site work for our appraisal programs at Paranui and Tilbrook during 2007. As at the date of this report we have commenced our drilling program at Paranui, where we have recorded favourable gas shows during drilling.

WestSide also made an exciting new international foray into Indonesia in 2007 where we have a number of new opportunities.

The first of those opportunities links us with Indonesia's largest thermal coal producer Kaltim Prima Coal (KPC).

WestSide also recently signed an agreement with Arutmin Indonesia, one of that country's top three coal exporters.

We have initiated a Project Definition Study at Kaltim Prima Coal's mine site in Kalimantan and look forward to quantifying this opportunity in coming months.

The Board understands the importance of pursuing such synergistic opportunities and the need to be both pragmatic and adaptable as we pursue our growth strategies.

WestSide intends to progress the opportunities presented by our Indonesian projects without diminishing the value of our Australian assets.

In Australia, some of the recent beneficial developments for the CSG industry include: the abandonment of the proposed PNG pipeline; strong growth in the development of gas-fired electricity-generation projects; increasing coastal industrial demand; and the future potential of Liquefied Natural Gas projects.

Due to these factors Queensland CSG resources are now highly valued and have an assured future.

WestSide's strategy for success in the sector is to build a portfolio of quality assets and then develop commercial production capacity and downstream processing.

Our relationship with PT Bumi Resources as a major investor and CSG collaborator aligns well with our strategy. The Indonesian opportunity provides a wider geographical perspective on building a quality portfolio, given the relatively congested Queensland market.

Since January the Company has maintained a focus on implementing the appraisal and exploration plans outlined in the November 2006 prospectus.

WestSide is now entering an exciting phase as we pursue our ambition of becoming an integrated energy business.

The key to our future success will be the development of an experienced and committed team to manage the technical decisions and secure services while implementing WestSide's work programs.

The Company has been challenged by the considerable shortage of available services, equipment and material supplies resulting from the pace of industry growth and investment.

However, we have met those challenges and have built a core team with the capability to achieve our development objectives in Queensland and Indonesia.

I would like to record my appreciation for the positive contribution made by the WestSide team to the Company's success in 2007.

We have experienced a successful first six months as a listed company and we now look forward to making the most of the significant prospects before us.

Yours sincerely

Michael Cavell

Michael Cavell
Chairman

Opposite page:
Casing on site at Paranui

managing director's review

Steve Cullum – CEO

"WestSide's long-term value lies in the quality of its assets"

WestSide has made excellent progress towards its goal of becoming an integrated energy business since the Company's listing on the Australian Stock Exchange in January 2007.

In the early part of the year the Company achieved a number of important operational milestones in support of the $10 million farm-in program, including technical design evaluation, recruitment of key personnel, and the establishment of critical service relationships. With these foundations established the Company went on to complete the necessary preparatory work to begin the appraisal drilling programs at Paranui (ATP 769P) and Tilbrook (ATP 688P). The appraisal drilling program is now underway at Paranui and the Tilbrook well sites have been prepared and are ready to drill.

Along with our progress in Australia, we also established a foothold in Indonesia, where we have a number of potential development opportunities which will be the subject of further appraisal studies in 2007/8.

In Australia, the farm-in agreements with Sunshine Gas Limited have given us access to tenements over substantial territory in Queensland's Bowen Basin and the opportunity to gain valuable experience as project operators. The prospective areas within those tenements, where there has already been a level of exploration activity, have offered a robust entry point into Queensland's vibrant coal seam gas (CSG) industry and the broader Australian energy sector.

The current status of the Bowen Basin tenements secured in the arrangements with Sunshine Gas are summarised in table 1 below.

WestSide's primary development goal in Australia is the certification of at least 250 Petajoules (PJ) of gas which the Company proposes to independently market.

On the international front, our relationship with one of our cornerstone investors, Indonesia's PT Bumi Resources TBK, has led to agreements which dramatically expand WestSide's portfolio to include a number of highly-prospective assets in Kalimantan. A Project Definition Study of the Kaltim Prima Coal (KPC) permit area has now commenced.

Table 1: Bowen Basin Tenements

Tenement	Size Sq km	Name	WCL % Interest #	Estimated gas-in-place (BCF) (Ref: Gaffney Cline Report *)		
				Low	Best Estimate	High
ATP 769P	4,980	Paranui	50%	–	293	–
ATP 688P	7,990	Tilbrook	50%	177	414	803
ATP 811P	1,186	Foxleigh	50%	–	–	–
ATP 693P	2,206	Cullin	50%	–	–	–

Currently registered but to be confirmed by completion of the Farm-in program.
* Refer to the WestSide Prospectus of November 17, 2007.

Queensland appraisal and exploration programs

WestSide's Australian operations are currently focused on the Paranui and Tilbrook CSG prospects in the Bowen Basin.

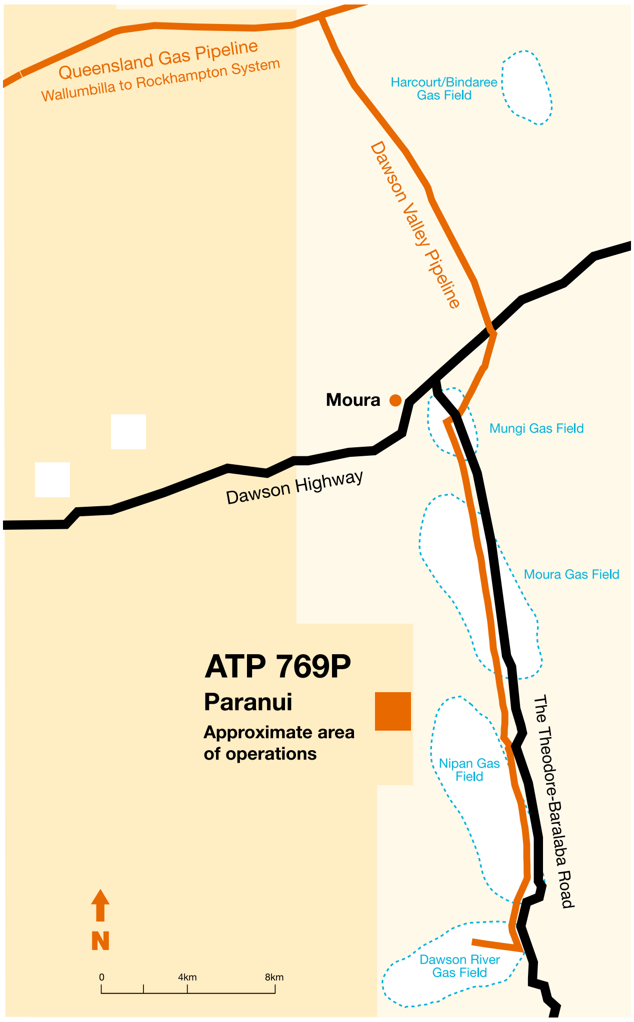
At the date of this report, WestSide has commenced drilling operations at the Paranui CSG pilot site and has prepared well sites at its Tilbrook CSG pilot. The two pilot operations will commence production-testing in coming months.

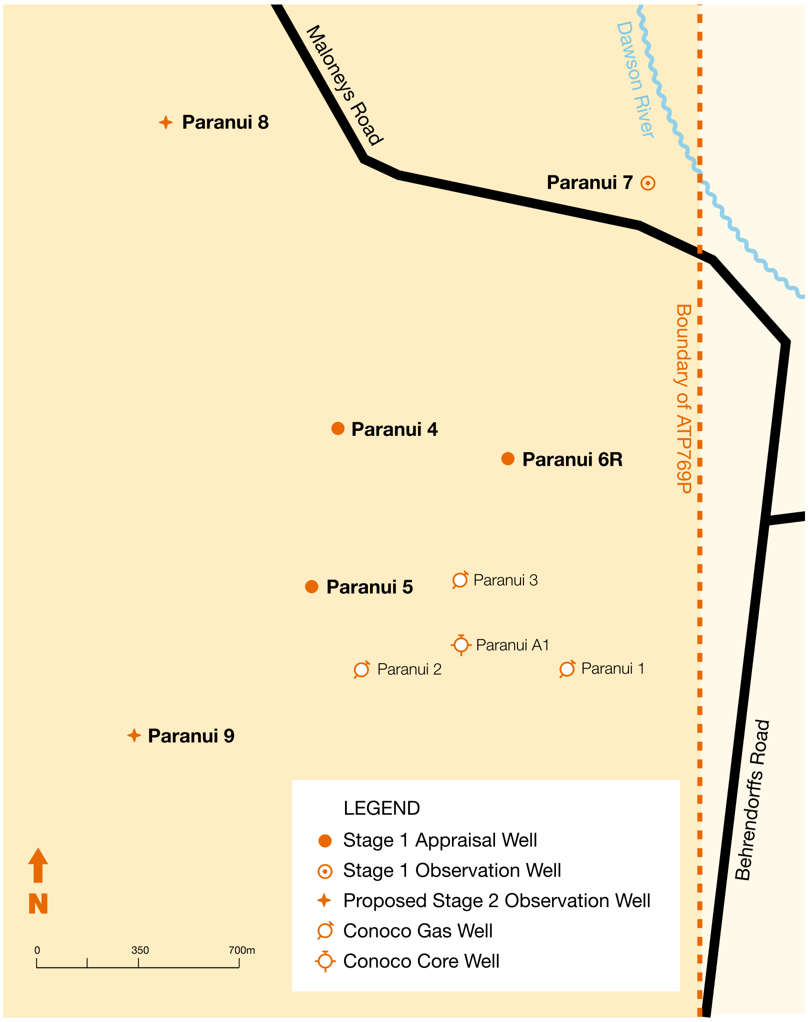
The field operations are the culmination of six months of intensive planning. While some preliminary scoping of the appraisal and exploration programs was undertaken in 2006, a more detailed validation process was progressed after the Company's IPO. This process provided the completion strategy for the project's practical execution. WestSide then undertook design, procurement, and services contracting as prerequisites to the practical field work which commenced with site preparations at Paranui in May 2007.

Drilling rig at Paranui

Drilling operations at Paranui

paranui





ATP 769P – Paranui

WestSide interest 50% (Sunshine Gas 50%)

The Paranui prospect (ATP 769P) is WestSide's first CSG pilot site, located within 5 kilometres of the producing Moura and Dawson Valley gas fields. This part of the tenement lies along the eastern edge of the Taroom Trough, an eastern segment of the Bowen Basin. The target coal measures are the Baralaba Coal Measures which are about 300m thick and contain a number of seams totaling 25m to 30m in thickness. These are good-quality seams producing commercial quantities of high quality CSG in the nearby Anglo Coal-operated gas fields.

Three appraisal wells and one observation well comprise the first stage of the Paranui appraisal program, which will complete WestSide's obligations to earn its 50% interest in the tenement. Two additional observation wells are planned, but their completion in a following stage of work will be conditional on the results from the first stage of appraisal testing.

All three appraisal wells are traditional vertical wells with multiple-seam completions. WestSide is trialling a variety of completion techniques to assess technical and economic alternatives which will set the boundaries for a larger-scale, viable gas development. We expect permeability to be relatively low in the area of interest and this will be assessed early in the operational program. The appraisal wells have been located to maximise the benefits of a planned fracture stimulation program. The depth to the top of the coal measures within the drilled wells is about 600m and good net coal thicknesses of around 25 to 28m have been intersected by the wells drilled prior to publication of this report, being Paranui 7 and Paranui 6/6R. Encouraging gas shows have been evident from many of the intersected coal seams.

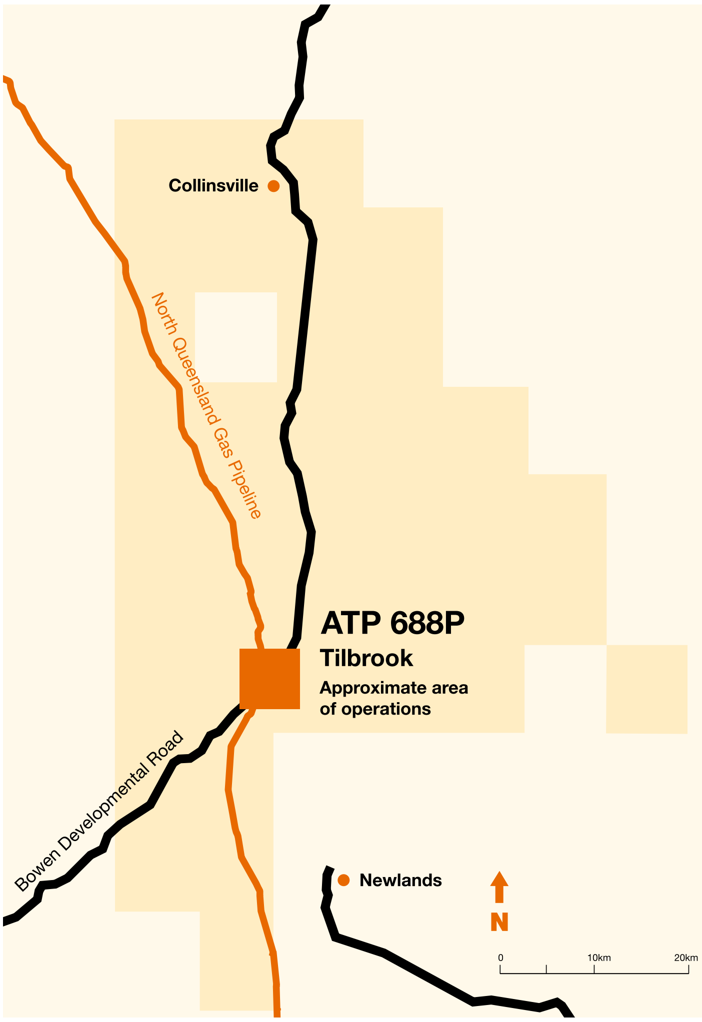
The wells are expected to be commissioned for a longer-term production test in November 2007. The previous experience of Conoco in the area demonstrated an early indication of gas, with a high level of gas saturation. Our predictive modelling of the wells, based on previous core data, has confirmed that we should expect early gas flows and relatively low water production rates.

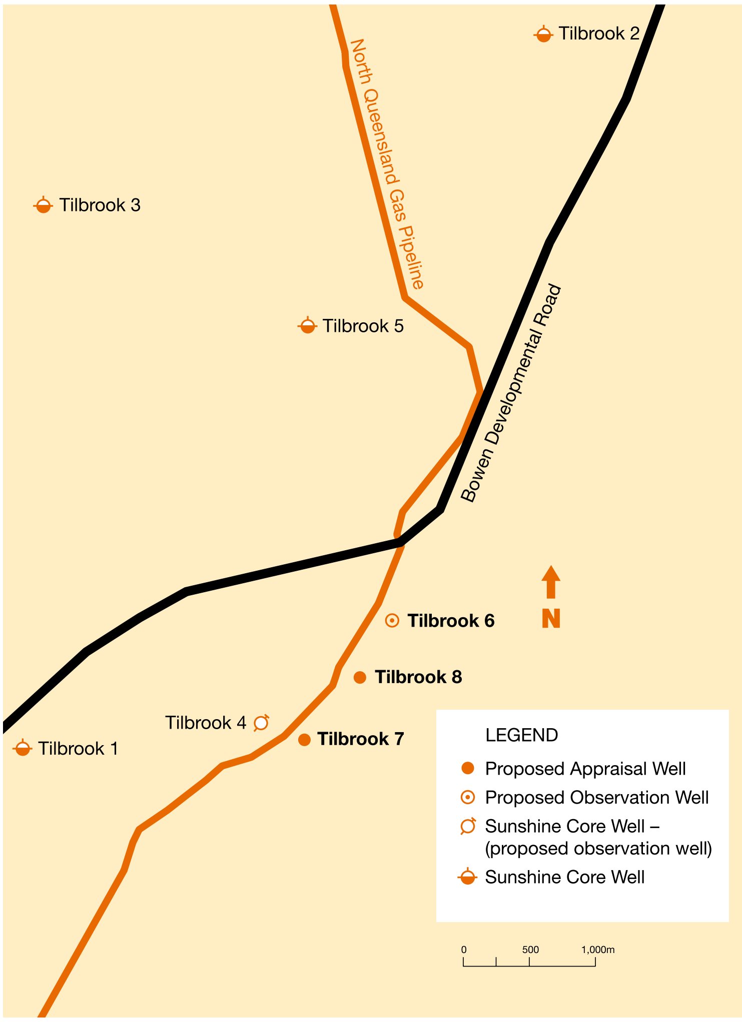
Additional step-out work has been provisionally scoped and includes core drilling and seismic data acquisition at the northern and southern limits of the area and potentially the development of another pilot group of wells. This additional work would be to confirm a workable low-cost completion model appropriate for the coal measures in the area of interest.

Paranui Program (Stage 1)

- Three vertical appraisal wells (fracture-stimulated)
- One observation well
- Expected well depth : 1,000m
- Production testing

tilbrook





ATP 688P – Tilbrook

WestSide interest 50% (Sunshine Gas 50%)

WestSide's second CSG pilot, Tilbrook (ATP 688P), is located within the precinct of the five Sunshine Gas core wells drilled in 2004/5 and immediately adjacent to the Moranbah-to-Townsville gas pipeline.

This area lies on the northwestern edge of the Collinsville Shelf, the northwestern segment of the Bowen Basin, some 60km south of Collinsville. The prospective coal measures in the area are the late Permian Moranbah Coal Measures, which are approximately 300m thick and contain a number of coal seams. The more significant seams are the Goonyella Upper Seam, the P Seam, the Goonyella Middle Seam and the Goonyella Lower Seam. Each of the five Sunshine Gas cores show a seam configuration with different seams taking prominence. Seam ash content is low to moderate and the coal rank is also moderate.

Site clearing commenced at Tilbrook in July and the first well will spud in October 2007 following completion of the Paranui drilling campaign.

The Tilbrook pilot will consist of two vertical appraisal wells and one observation well, as well as an earlier core well (Tilbrook #4). The three new wells will be aligned along the principal stress direction and will be located close to Tilbrook #4, one of the earlier Sunshine Gas core holes, which will now be used as an observation well.

Sunshine Gas had previously tested gas content, gas quality, permeability, gas saturation, seam thickness, ash, fixed carbon, moisture, rank, faults and fracturing.

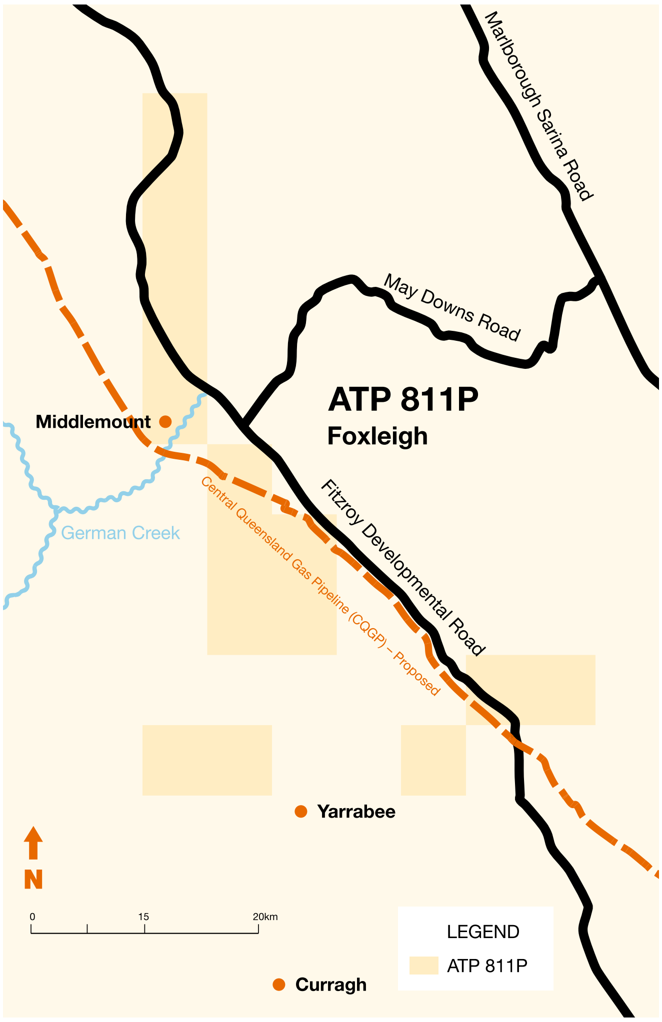
The regional geology of the area of interest indicates likely areas of volcanic influence and intrusion. We are expecting a high water production rate at Tilbrook following our predictive production modelling. As a result, the intended completion technique has reverted to a vertical, under-reamed well configuration.

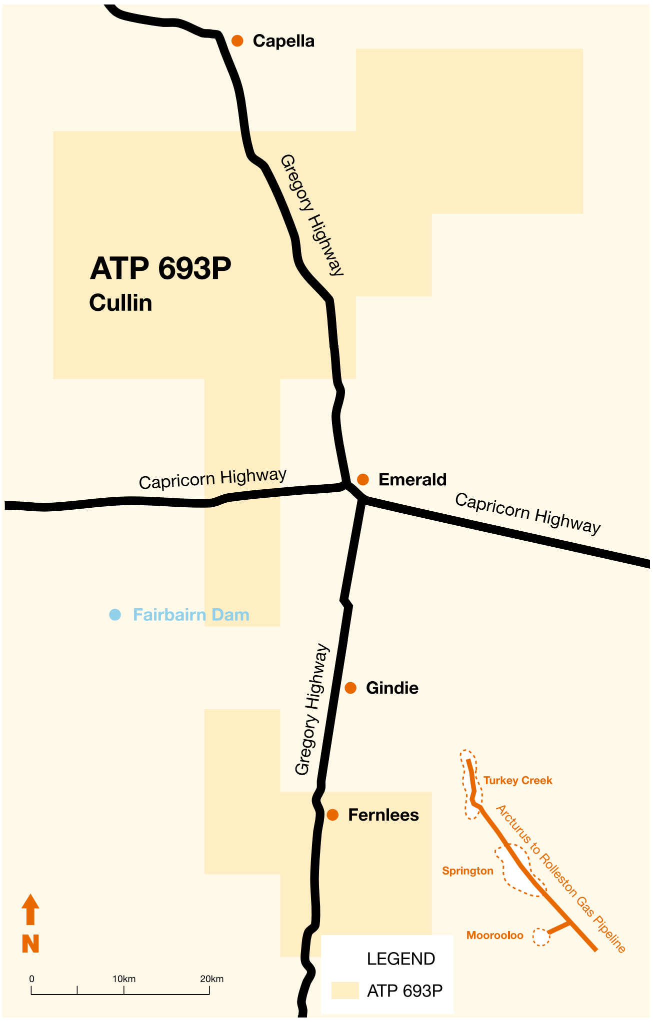
The depth to the top of the coal measures for these wells is expected to be approximately 300 to 350m. The wells are expected to be commissioned for a longer-term production test in late 2007. It may be some months before initial gas flows are recorded based on the Company's modelling and taking into account the slightly under-saturated coals.

Tilbrook Program

- Two vertical appraisal wells
- One new observation well
- One observation well converted from existing core well
- Expected well depth : 600m
- Production testing

foxleigh and cullin





ATP 811P – Foxleigh

WestSide interest 50% (Sunshine Gas 50%)

ATP 811P encompasses prospective areas to the east of the German Creek Coal Measures. The principal area of early interest is adjacent to the township of Middlemount. The targets for assessment are the Rangal Coal Measures and Rewan Formation. The Rangal Coal Measures contain a number of coal seams, with the two most prospective being the Leichhardt (between 2m and 5m thick) and the Vermont (1m to 3m thick). The coal rank is moderately high, and an acceptable gas content is expected.

WestSide's focus in 2007 was on the Paranui and Tilbrook pilot works. To date work on ATP 811P has involved acquisition of large quantities of seismic and core data from past coal exploration and initial geological modelling. Subject to successful reinterpretation of some of the available data, further seismic work may be undertaken. The provisionally-scoped forward program includes an initial series of stratigraphic holes and basic logging to quantify the magnitude of the coal resource, followed by a limited number of selective core wells. The Company is planning to initiate this work in early 2008.

ATP 693P – Cullin

WestSide interest 50% (Sunshine Gas 50%)

ATP 693P includes a number of prospective areas around Emerald in central Queensland. The tenement lies on the northwestern edge of the Denison Trough, which is a western segment of the Bowen Basin. Strata dip regionally to the east into the trough where they are truncated by large scale reverse faults and folds.

The southern section of ATP 693P adjacent to Origin's conventional gas-producing fields south of Emerald, has been drilled with the three Sunshine Gas Cullin core wells. These cores were not prospective and the Company's early exploration program contemplated a seismic line stepping out to the east from the last of these cores for a further core well.

Re-examination of the information on the whole tenement has brought attention back to the northern section, directly north of Emerald, as a prospective area for exploratory stratigraphic drilling and logging as a precursor to a short seismic run and a possible core well. The Company is planning to initiate this work in early 2008.

indonesian ventures

Indonesian ventures

A highlight for 2007 was the emergence of a major new international opportunity for WestSide.

During the year we announced agreements with Indonesia's largest thermal coal producer PT Bumi Resources TBK in a deal which has the potential to launch WestSide onto the international energy scene. Bumi is a major shareholder and cornerstone investor in WestSide, holding 27.5% of the shares on issue.

Under the agreements, WestSide will join with Kaltim Prima Coal and Arutmin Indonesia to appraise and develop any CSG resources contained within the various coal deposits controlled by those companies.

WestSide's alliance with Bumi gives it access to the CSG potential of some of Indonesia's premier coal deposits, close to some of the region's largest energy consumers.

Kaltim Prima Coal

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

A Heads of Agreement will enable WestSide and Bumi subsidiary PT Kaltim Prima Coal (KPC) to evaluate and develop CSG prospects within KPC's coal production permits in eastern Kalimantan, Indonesia. The agreement with Bumi will result in WestSide and KPC forming a joint venture to appraise and develop CSG prospects in KPC's 90,700 hectare coal production permit area.

In August 2007, WestSide and KPC commenced a joint study into the CSG resources which may be contained within the coal deposits of KPC's coal production area. The project team includes personnel from WestSide, KPC and Advanced Resources International (ARI), which is a US-based consultancy focused on the global CSG industry. ARI conducted a benchmark study on CSG in Indonesia for the Indonesian Government in 2005. This new study will now examine the available geological data and model the coal deposits to aid in the assessment of their CSG potential. A detailed testing and sampling regime will be undertaken to build a comprehensive picture designed to support production development.

Arutmin Indonesia

WestSide beneficial interest 50% (Arutmin Indonesia 50%)

WestSide and Bumi expanded their co-operative venture in August 2007 to include the Arutmin Indonesia (Arutmin) mines in southern Kalimantan. Arutmin, a Bumi subsidiary, operates four separate mine sites in South Kalimantan with a combined area of some 70,000 hectares. These mines will be appraised and developed on the same basis as the KPC permit area. Over the coming months we will review coal exploration data held, as a first step in this process.

looking forward

Paranui drilling

Looking forward

WestSide's pilot and exploration programs in Queensland have only addressed a small portion of the overall prospective area within the Company's existing tenements. Within the next 12 months we will begin work to examine these opportunities in detail and establish a strategy for their further evaluation with our joint venture partner.

As WestSide's current programs progress, the Company will achieve the milestone levels of expenditure required under the Sunshine Gas farm-in agreements. This will ratify WestSide's 50% interest in the tenements. From that point onwards, exploration and appraisal programs will be jointly agreed and funded with joint venturer Sunshine Gas.

WestSide's forward planning for 2007/8 has outlined further programs to build on the appraisal activity at Paranui and Tilbrook, with the objective of maximising reserves which may be certified from the pilot well operations, as well as completing farm-in exploration at Foxleigh and Cullin. In addition a number of high potential target areas for further exploration and appraisal have been identified. Broad drilling and data acquisition strategies for assessment of these areas are being framed for implementation on completion of the farm-in programs.

The Company intends to maintain the rapid pace of evaluation work started since the IPO and we will be working closely with Sunshine Gas to deliver value from these projects.

In Kalimantan, WestSide, KPC and Arutmin will proceed with project definition and plan further appraisal and development work. The joint venture will look to initiate early drilling and testing to gain data to fully evaluate the prospects under the terms of the Project Definition Study at KPC. WestSide will move to cement its working relationship with the Bumi group and maximise the benefits of CSG development for both parties.

WestSide's long-term value lies in the quality of its assets. The Company's key goal is to build the quality and quantity of its asset portfolio. WestSide's venture in Indonesia has demonstrated that the acquisition of these assets can be extended beyond Queensland where the industry has reached a level of competitive maturity.

Building a reserve base is also a key goal. The key to building these reserves is demonstrating gas production at commercially-sustainable rates from a sufficient and accessible coal resource. The current appraisal programs at Paranui and Tilbrook are the first steps in that process. Successful production from these wells will be the first necessary condition towards establishing commercial reserves. However, it may be necessary to collect further data or establish additional pilots prior to seeking certification of reserves.

The Company's downstream ambitions remain intact and will be dependent on building an appropriate reserve base.

funding and people

Funding

The Company has comfortably funded its operations to date with capital raised from our cornerstone investors and the IPO. The farm-in spending program represented a fairly modest share of those funds, putting the Company in a strong position to take strategically-aligned emerging opportunities.

The spending on the appraisal and exploration programs and Company overheads are in line with expectations and the contracted farm-in programs detailed in the Prospectus.

The Prospectus indicated a number of discretionary activities for the application of funding including preliminary activity for downstream development and reserves expansion. The Indonesian ventures sit within the reserves expansion category. WestSide's expected financial commitments for undertakings in Indonesia over the next 12 months will not impact on our Australian commitments, nor will they require WestSide to raise further capital during this period.

Paranui drilling operations

People

WestSide has built a permanent core technical and commercial team of seven people during 2007.

In the current climate, the Company has faced challenges recruiting personnel with CSG experience given the buoyant conditions being experienced by the industry and the broader resources sector.

WestSide is not alone in this experience and we believe our new and growing business offers many pathways for personal growth and a diversity of experiences which may not be readily available in larger organisations.

The Company has also developed a number of valuable contractual relationships with a variety of service providers, which build on WestSide's experience and human resource base. Over the longer term, the Company proposes to internally resource the core activities of drilling, reservoir management, project management and production operations. WestSide will grow its team further over the next 12 months and in doing so will build competencies, retain valuable in-house knowledge and improve our field support activities.

community standards

Drilling operations at Paranui

Community Standards

WestSide's vision is to become a leading integrated energy business with a share price that continues to grow and a reputation for operational sustainability.

Sustainability is a theme which is applied on many fronts and has become a well established expression of community expectations. WestSide understands that to build a sustainable business the Company must improve outcomes for its employees, shareholders, business partners, the environment and the communities within which it operates. Building a sustainable business in petroleum exploration and development demands a proactive recognition of the breadth of stakeholder interests in what we do and in satisfying ever more demanding community standards. A key feature of our program planning has been to establish the nature of the Company's obligations to our stakeholders and then to engage with them to optimise results for all parties.

Landholders

The landholders in our development areas typically have a long history of operations on their properties, sometimes spanning generations. Their agricultural operations range from grazing to intensive cropping, each with their own annual activity cycle. Legislation requires that we settle compensation for the impact of our activities, permitted under the ATP, on landholders.

Our goal has been to work constructively and proactively with our landholders to negotiate mutually-satisfactory outcomes which minimise the impact of our operations on their businesses. We will continue to conduct our operations with a view to having a long and collaborative relationship with them.

Traditional Owners

As part of our obligation to protect Aboriginal Cultural Heritage we have engaged with Aboriginal parties representing the registered traditional owners for the areas of our operations. Cultural heritage agreements have been executed with representatives of the East Comet/West Dawson and Birri peoples to conduct clearance operations at our Paranui and Tilbrook operations. A more extensive Cultural Heritage Management Plan is required should we progress to a Petroleum Lease. We aim to satisfy these standards to ensure these relationships will also be ongoing.

Safety and Health

In executing the farm-in program we have placed a heavy reliance on contracted service companies to complete the required work. Our safety and emergency management policies and plans meet regulatory and community standards and are exercised through the active engagement of our service providers to ensure their policies, procedures and practices are at an appropriate standard. Our fundamental position is that all occupational injury and harm is avoidable and we will take appropriate steps to achieve this result.

Environment

The joint tenement holders for each tenement have been granted Environmental Authorities by the Environmental Protection Agency (EPA) to conduct our activities. These authorities are relatively prescriptive in regard to environmental protection.

The management of the water extracted during CSG operations is an industry challenge. At both appraisal locations the Company has opted to install temporary, lined storage ponds for initial water quality assessment and then planned disposal by evaporation. The size of these ponds is expected to reach maximum areas of one hectare at Paranui and four hectares at Tilbrook. A variety of disposal and usage techniques and technologies exist within the industry. The Company will examine all options once water quantities and qualities become known.

Land management is another important stewardship obligation. The Company has established a policy and applied procedures which are consistent with legislation and community standards to minimise the spread of noxious pests and weeds.

finance report

WestSide Corporation Limited achieved its financial objectives in 2007.

The Company listed on the Australian Stock Exchange in January this year and is looking forward to the new financial year as a well-financed, listed company which is ramping-up its appraisal and exploration activities in Australia and Indonesia.

The financial highlight of 2007 was the enthusiastic support WestSide received from investors who provided funding during the IPO process.

The Company raised almost $30 million, attracting strong financial support from two globally-recognised cornerstone investors.

This strong international and local investor participation provided a major vote of confidence in WestSide's assets, strategy and management team.

It also reflected the enormous interest which has been generated in Australia's coal seam gas (CSG) industry. The investments made by WestSide's two highly-regarded cornerstone investors PT Bumi Resources TBK and Saad Investments Company Limited highlight the new-found international importance of CSG as a commercially-viable energy source.

The June 2007 year results reflect start-up costs and the expense of initial planning and preparatory work at the Paranui and Tilbrook pilot sites. These costs are in line with expectations.

The resources boom continues to place pressure on costs, but overheads have been kept to a minimum. The Company's management is focused on gaining maximum value by investing available funds in the assets and future prospects.

“Strong international and local investor participation provided a major vote of confidence in WestSide’s assets, strategy and management team.”

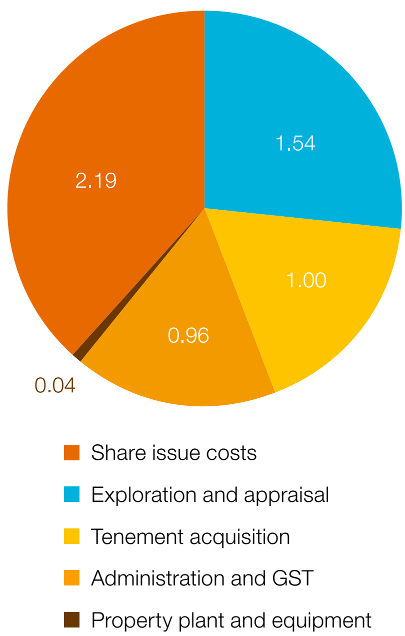
Financial outlook

WestSide believes the Indonesian opportunity has considerable upside potential. The Company understands that this is an emerging industry in an untried regulatory environment and will adopt a staged approach to its investment to avoid unnecessary financial exposure. WestSide’s strong financial position allows the Indonesian initiatives to be progressed in parallel with ongoing Australian commitments.

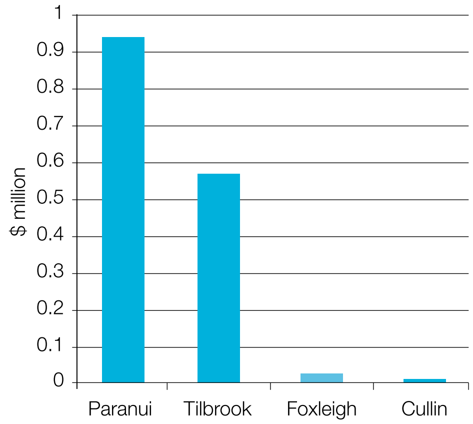
Significantly, WestSide’s immediate $10 million commitment to its Queensland farm-in tenements is surpassed by cash reserves. An additional $5.9 million has been set aside for expansion beyond the original Bowen Basin work programs and a further $4 million is available for development planning and pilot gas sales.

These funds on hand leave WestSide well-positioned to capitalise on opportunities such as the initial commitment to join Bumi in appraising the CSG potential of some of Indonesia’s premier coal deposits.

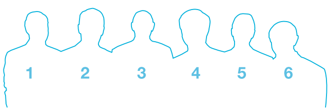
Applications of funds to 30 June 2007 ($million)



Exploration and appraisal expenditure at 30 June 2007



directors & management



4) Michael Cavell – Non Executive Chairman

JD (Georgetown, Washington DC),
BS Physics (Michigan)
Director since August 2006

Michael was appointed Chairman in August 2006. Michael has wide Australian and United States energy industry experience with a particular emphasis on natural gas pipelines, marketing, and production. He is the former CEO of Enertrade, a Queensland government-owned corporation. Previous appointments have included roles as Managing Director Asia Pacific, for Duke Energy International and also Managing Director of PG&E's Australian operations. Prior to coming to Australia in 1996, Michael held various senior management roles with several US-based natural gas pipeline companies and a natural gas exploration and production company. Michael is a member of the Audit and Compliance Committee.

5) Stephen Cullum – Managing Director and Chief Executive Officer

BE (Chem, Hons), BCom, MAICD
Director since July 2006

Stephen was appointed to the role of CEO of WestSide in July 2006.

He has more than 30 years of technical and commercial experience in the downstream processing industry, notably in ammonia and derived fertilizer and explosive products. He has held senior corporate roles within Incitec Pivot Ltd (and previously Incitec Ltd) in manufacturing operations, technology and strategic project development, finance and marketing. For the past three years he consulted to the industry, as a director of Protean Consulting Pty Ltd, where he provided a variety of services including active project management of key client projects.

2) Angus Karoll – Executive Director – Strategy and Business Development

Director since November 2005

Angus is the founder of WestSide Corporation. He has built a number of businesses in the food services, logistics and agricultural supplies sectors and has initiated plans to develop a number of gas production and downstream gas processing projects in South East Asia. Angus is the President Director and controlling shareholder of PT WestSide Agritama, a major provider of logistics and transport services in Indonesia.

3) Ken Farrell – Director

BE, BCom, FAICD
Director since May 2007

Ken is a Director of PT Bumi Resources TBK, one of the largest listed companies on the Jakarta Stock Exchange. Ken has served as a Director of Bumi since 2004 and as a Director of subsidiaries PT Arutmin Indonesia and PT Kaltim Prima Coal since 2001 and 2003 respectively. Prior to joining PT Arutmin Indonesia he served with BHP Billiton for 21 years in various executive and management roles in mining and energy.

6) Anthony 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 areas of his Price Waterhouse specialisation: Audit and Corporate Advisory. Tony is Chairman of the Audit and Compliance Committee.

1) Trent Karoll – Director

B Ec, MAICD
Director since August 2006

Trent is the Joint Managing Director of the Nelson Group of Companies, a substantial private business, with operations in Australia and New Zealand and over 200 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.

Senior Management

Lawrence (Larry) Brown – Operations Manager

BSc (Petroleum Engineering)

Larry has nearly 30 years of wide ranging experience in the petroleum industry in Australia, the USA and internationally. Over many years with Chevron he gained an excellent understanding of all facets of the upstream petroleum industry through commercial, operations and technology-based assignments. More recently, Larry held management and contract specialist positions with InterOil Corp and Oil Search Ltd.

Damian Galvin – Chief Financial Officer and Company Secretary

BBus (Accounting), CA

Damian is a Chartered Accountant with 15 years experience in the financial management of companies in Australia and overseas. Damian joined WestSide from Queensland Gas Company Ltd where he was Chief Financial Officer and Company Secretary for four years. He has also had previous reporting and commercial experience with Premier Oil Plc and Price Waterhouse.

directors' report

WestSide Corporation Limited **Annual financial report for the year ended 30 June 2007**

Your Directors present their report on the Consolidated Entity (referred to hereafter as the Group) consisting of WestSide Corporation Limited and the entities it controlled at the end of, or during, the year ended 30 June 2007.

Directors

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

Director	Period as Director	Ordinary Shares	March 2009 Options	Incentive Options
M Cavell (Chairman)	From 10 August 2006	80,000	40,000	300,000
S Cullum	From 19 July 2006	200,000	100,000	300,000
K Farrell	From 30 May 2007	400,000	200,000	–
A Gall	Whole financial year	200,000	100,000	300,000
A Karoll	Whole financial year	13,290,000	6,645,000	300,000
T Karoll	From 25 August 2006	200,000	100,000	200,000

David Simpson was appointed a Director on 15 November 2005 until his resignation on 25 September 2006.

The qualifications, experience and special responsibilities of the Directors and Company Secretary are shown on pages 18 to 19 of the Annual Report.

Directorships of listed companies

None of the Directors have been a Director of other listed companies at any time in the three years before 30 June 2007.

Principal activities

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

Dividends

During the financial year, no amounts have been paid or declared by way of dividend (2006: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 6 – 17 of this Annual Report.

The operating loss after income tax for the Group amounted to $333,439 (2006 : $nil).

Significant changes in the state of affairs

During the year, the Group raised $29.8 million from investors and listed on the Australian Stock Exchange. Farm-in rights were obtained for 50% interests in four petroleum exploration tenements in Queensland's Bowen Basin. Exploration and appraisal activities commenced in the Bowen Basin tenements and the Group reached agreement with Indonesia's largest coal miner to begin joint coal seam gas exploration activities in Indonesia.

Matters subsequent to the end of the financial year

Issue of options

On 28 August 2007 the Company issued 349,000 Incentive Options to staff pursuant to the WestSide Director and Employee Incentive Option Plan. The Incentive Options will be exercisable between 1 July 2010 and 30 June 2012 at an exercise price of 91 cents per share, being the weighted average price of the Company's shares for 10 days prior to 30 June 2007. Shareholders will be asked to approve the issue of a further 105,000 Incentive Options to Directors on the same terms at the Company's Annual General Meeting in November 2007.

No other matter or circumstance has arisen since 30 June 2007 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 at page 13.

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 Environmental Protection Agency has granted Environmental Authorities for each exploration tenement. These authorities are relatively prescriptive in regard to environmental protection. The Group operated in full compliance with all local and state legislation governing the environmental management of its gas exploration activities during 2007. No Government agency has notified the Company of any environmental breaches during the period ended 30 June 2007.

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 2007, and the numbers of meetings attended by each Director were:

Director	Board meetings		Audit and Compliance Committee meetings	
	A	H	A	H
M Cavell	10	11	–	–
S Cullum	11	12	*	*
K Farrell	–	–	*	*
A Gall	10	12	–	–
A Karoll	11	12	*	*
T Karoll	7	10	–	–
D Simpson	–	3	*	*

A *Attended.*

H *Number of meetings held during the time the Director held office or was a member of the Committee during the year.*

* *Not a member of the relevant Committee.*

Retirement, election and continuation in office of Directors

Mr K Farrell was appointed as a Director on 30 May 2007, and in accordance with the Constitution, retires as Director at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

Mr A Gall is the Director retiring by rotation who, being eligible, offers himself for re-election at the forthcoming Annual General Meeting.

Shares under option

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

Date options issued	Expiry date	Issue price of shares	Number under option	Note
16 November 2006	31 March 2009	$0.50	7,000,000	(i)
19 December 2006	31 March 2009	$0.50	10,200,000	(i)
28 December 2006	31 March 2009	$0.50	10,200,000	(i)
4 January 2007	31 March 2009	$0.50	9,131,000	(i)
16 November 2006	10 January 2013	$0.50	1,700,000	(ii)
10 May 2007	10 January 2013	$0.50	260,000	(ii)
28 August 2007	30 June 2012	$0.91	349,000	(iii)

(i) March 2009 Options: Founding shareholders, cornerstone investors and subscribers to the Company's Initial Public Offering received one free option for every two shares held. Each option entitles the holder to receive one ordinary share in the Company upon payment of 50 cents. The options lapse on 31 March 2009. 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.

(ii) Incentive Options : The Incentive Options cannot be exercised until 10 January 2010, and must be exercised before their expiry date, 10 January 2013. 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.

(iii) Incentive Options : The Incentive Options cannot be exercised until 1 July 2010, and must be exercised before their expiry date, 30 June 2012. 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.

Insurance of officers

Insurance and indemnity arrangements are in place for officers of the Company. The Company paid an insurance premium of $44,039 (2006 : nil) in respect of Directors and Officers Liability Insurance and $116,061 (2006 : nil) for Prospectus Liability Insurance. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

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.

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.

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 26.

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

Non-audit services	Consolidated 2007 $
Taxation services	
International taxation advice	31,000
Farm-in agreement advice	18,000
Advice on equity incentive plans	7,500
GST advice	500
Total remuneration for taxation services	**57,000**
Other services	
Review of accounting treatment of specific transactions	1,412
The following fees were paid or payable for services provided by related practices of PricewaterhouseCoopers Australian firm:	
Assurance services	
Due diligence services	60,257
Total remuneration for non-audit services	**118,669**

directors' report

Remuneration Report

The information provided under headings A-D of the Remuneration Report includes remuneration disclosures that are required under Accounting Standard AASB 124 Related Party Disclosures. These disclosures have been transferred from the financial report and have been audited. The disclosures in Section E are additional disclosures required by the Corporations Act 2001 and the Corporations Regulations 2001 which have not been audited.

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

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.

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 include various components : fixed remuneration; short term incentives (cash bonus linked to key performance indicators); 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.

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. In the first years of the Company's operations, short term KPIs are focussed on the exploration and appraisal activities designed to achieve certification of sufficient 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.

Long term incentives take the form of Incentive Options through the WestSide Director and Employee Incentive Option Plan. Senior employees are offered Incentive Options with exercise prices approximating the share price at the time each employee commences service. The Incentive Options do not vest for a significant period (three years in the case of Incentive Options issued during 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.

For the 2008 year and forward, it is planned that an annual allocation will be made to senior staff on similar terms to provide an ongoing long-term incentive.

The Company's exploration and appraisal operations are expected to deliver results over a 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 is particularly the case in relation to earnings, as the Company is not expected to record a profit until gas reserves can be certified, developed and sold. The Company's performance during its first operating period has, nonetheless, delivered a significant increase in shareholder wealth, with the Company's share price increasing by 74% from 50 cents at the time of the Initial Public Offering to 87 cents at 30 June 2007, without taking into account the additional value of free share options issued to subscribers to the IPO.

B) Summary of remuneration (audited)

Amounts of remuneration

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

Amounts disclosed for remuneration of Directors and other key management personnel exclude insurance premiums of $44,039 (2006 :$ nil) paid by the Group in respect of Directors' and Officers' Liability Insurance contracts and $116,061 for Prospectus Liability Insurance as the contracts do not specify premiums paid in respect of individual Directors and officers. Information relating to these insurance contracts is set out in the Directors' Report.

Details of the remuneration of each Non-executive Director of the Company and Group are set out in the following table. No remuneration was paid in the period ended 30 June 2006, and payment of remuneration for the year to 30 June 2007 only commenced in August 2006 when the Company began actively preparing to raise funds.

2007	Short-term employee benefits		Post-employment benefits	Share-based payments	
Name	Remuneration commenced	Cash salary $	Superannuation $	Options[1] $	Total $
M Cavell	10 August 2006	48,979	4,408	22,102	75,489
K Farrell[2]	30 May 2007	2,661	–	–	2,661
A Gall	1 August 2006	25,229	2,271	33,249	60,749
T Karoll	1 September 2006[3]	22,936	2,064	13,980	38,980
D Simpson	–	–	–	–	–
Total 2007		**99,805**	**8,743**	**69,331**	**177,879**
Total 2006		–	–	–	–

(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 K Farrell are paid to PT Bumi Resources TBK.

(3) Director appointed 25 August 2006. Remuneration commenced 1 September 2006.

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 2007 are set out in the following table. This includes all of the executives of the Company and Group.

2007		Short-term employee benefits		Post-employment benefits	Share-based payments	
Name	Remuneration commenced	Cash salary $	Cash bonus $	Superannuation $	Options(1) $	Total $
Executive Directors						
S Cullum	18 July 2006	262,879	42,750	23,659	23,242	352,530
A Karoll	10 January 2007	40,207	–	–	33,249	73,456
Other key management personnel						
L Brown	13 June 2007	9,028	–	812	–	9,840
D Galvin	2 October 2006	120,677	14,752	10,861	19,360	165,650
Total 2007		**432,791**	**57,502**	**35,332**	**75,851**	**601,476**
Total 2006		–	–	–	–	–

(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".

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

Non-executive Directors

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

Non-executive Directors' fees are $30,000 pa and the Chairman's fee is $60,000 pa, inclusive of superannuation. 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 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 Chief Executive Officer 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. Major provisions of the agreements relating to remuneration are set out below.

S Cullum, Chief Executive Officer

- Fixed term of three years commencing 18 July 2006.
- Base remuneration package, including superannuation of $300,000 per annum, reviewed annually.
- Employment can be terminated by six months notice from 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 performance bonuses of up to 15% of annual remuneration earned upon achievement of specific performance targets by 30 June 2007. All the performance targets were achieved and the bonuses were paid in full.
- Long-term performance bonus of up to 20% of annual remuneration was replaced by the grant of 300,000 Incentive Options on 16 November 2006. The long-term performance bonus would have been payable upon achievement by the Company of specified certified gas reserve targets by 18 July 2008. Further details of Incentive Options granted are set out in section D of this report (Share-based compensation).

A Karoll, Executive Director – Strategy and Business Development

- Term of one year commencing 10 January 2007.
- Remuneration package of $1,025 per day, capped at $200,000 per year, reviewed in July each year.
- Executive role can be terminated with four weeks notice by either party.

L Brown, Operations Manager

- From 13 June 2007, no fixed term.
- Base remuneration package, inclusive of superannuation of $190,750 per annum, reviewed annually.
- Employment can be terminated with one month notice by the Company or two months by Mr Brown, or immediately by the Company in a number of circumstances including serious misconduct, wilful neglect of duties, bankruptcy or criminal conviction.
- Short-term performance bonuses of up to 15% of annual base salary earned upon achievement of specific performance targets by 30 June 2008. There was no bonus applicable to the year ended 30 June 2007.
- Offer of 190,000 Incentive Options subject to Board approval in July 2007. These were subsequently approved and issued, but do not form part of remuneration for the year ended 30 June 2007 as they were granted after balance date.

Remuneration Report

D Galvin, Chief Financial Officer and Company Secretary

- Fixed term of three years commencing 2 October 2006.
- Base remuneration package, inclusive of superannuation of $180,000 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 performance bonuses of up to 15% of annual base salary earned upon achievement of specific performance targets by 30 June 2007. 80% of these targets were achieved, resulting in payment of a bonus of $14,752.
- Grant of 300,000 Incentive Options on 16 November 2006. Further details of Incentive Options granted are set out in section D of this report (Share-based compensation).

D) Share-based compensation (audited)

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.

Incentive Options were granted by WestSide Corporation Ltd during the year under the WestSide Director and Employee Incentive Option Plan to align Directors' and employees' interests with that of shareholders. Options were granted under the plan for no consideration.

The Incentive Options cannot be exercised until 10 January 2010, and must be exercised before their expiry date, 10 January 2013. 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.

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
16 November 2006	10 January 2013	$0.50	$0.284	After 10 January 2010
27 February 2007	10 January 2013	$0.50	$0.205	After 10 January 2010
18 April 2007	10 January 2013	$0.50	$0.195	After 10 January 2010

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 : $0.50
- term of the option : 5 years – the estimated exercise date part way through the vesting period (10 January 2010 – 10 January 2013)
- expiry date : 10 January 2013
- expected share price volatility : 60%
- expected dividend yield : nil
- risk-free interest rate : the five year Australian Government Bond Rate as applicable at individual grant dates – between 5.78% and 6.15%

The expected price volatility is based on the historic volatility (based on the expected life of the options) of a selection of junior coal seam gas exploration companies.

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. No Incentive Options vested or were exercised during the year. Further information on the options is set out in Note 15(e) to the financial statements.

	Number of options granted during the year	
Name	**2007**	2006
Directors of WestSide Corporation Limited		
M Cavell	**300,000**	–
S Cullum	**300,000**	–
A Gall	**300,000**	–
A Karoll	**300,000**	–
T Karoll	**200,000**	–
Other key management personnel of the Group		
D Galvin	**300,000**	–

E) Additional information – unaudited

Details of remuneration: cash and equity bonuses

For each cash bonus and grant of options 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.

	Cash bonus		Incentive Options[1]		
Name	**Paid %**	**Forfeited %**	**Maximum total value yet to vest[2] $**	**Proportion of remuneration consisting of options[3] %**	**Value of options at grant date[4] $**
Directors of WestSide Corporation Limited					
M Cavell	–	–	63,098	29	85,200
S Cullum	100	–	61,958	7	85,200
A Gall	–	–	51,951	55	85,200
A Karoll	–	–	51,951	45	85,200
T Karoll	–	–	42,820	36	56,800
Other key management personnel of the Group					
D Galvin	80	20	65,840	12	85,200

(1) All Incentive Options granted will vest in the financial year ending 30 June 2010. No Incentive Options were forfeited during the year. The Incentive Options have a minimum value yet to vest of nil, because failure to meet the vesting conditions will result in forfeiture of the options.

(2) The maximum total value of Incentive Options yet to vest has been determined as that amount of the value at grant date that is yet to be expensed.

(3) The proportion of remuneration consisting of Incentive Options is based on the value of options expensed during the financial year ending 30 June 2007.

(4) The value at grant date is as calculated as described in section D "Share Based Compensation".

The cash bonus granted to L Brown will vest in the year ending 30 June 2008. The maximum value of this bonus is $26,250, and the minimum value is nil if no performance targets are achieved.

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

Stephen Cullum
Director

Brisbane

26 September 2007

auditor's independence declaration

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Auditor's Independence Declaration

As lead auditor for the audit of WestSide Corporation Limited for the year ended 30 June 2007, 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.

Stephen R. Snook
Partner
PricewaterhouseCoopers

Brisbane
26 September 2007

income statements

For the year ended 30 June 2007

WestSide Corporation Limited **Annual financial report for the year ended 30 June 2007**

		Consolidated		Parent entity	
		2007	2006*	**2007**	2006*
	Notes	**$'000**	$'000	**$'000**	$'000
Revenue from continuing operations	3	**866**	–	**866**	–
Other income	4	**3**	–	**3**	–
Total income		**869**	–	**869**	–
Other expenses:	5				
Employment		**(513)**	–	**(513)**	–
Legal		**(242)**	–	**(242)**	–
Accounting and compliance		**(129)**	–	**(129)**	–
Directors' fees		**(109)**	–	**(109)**	–
Investor relations		**(75)**	–	**(75)**	–
Occupancy		**(45)**	–	**(45)**	–
Business development		**(31)**	–	**(31)**	–
Insurance		**(29)**	–	**(29)**	–
Communications		**(10)**	–	**(10)**	–
Other		**(9)**	–	**(9)**	–
Travel		**(6)**	–	**(6)**	–
Information systems		**(4)**	–	**(4)**	–
Total other expenses	5	**(1,202)**	–	**(1,202)**	–
Loss before income tax		**(333)**	–	**(333)**	–
Income tax expense	6	**–**	–	**–**	–
Loss attributable to members of WestSide Corporation Limited		**(333)**	–	**(333)**	–

		2007	2006*
		Cents	Cents
Earnings / (loss) per share for profit from continuing operations attributable to the ordinary equity holders of the company:			
Basic and diluted earnings per share	23	**(0.8)**	–
Earnings / (loss) per share for profit attributable to the ordinary equity holders of the company:			
Basic and diluted earnings per share	23	**(0.8)**	–

** 2006 comparatives are for the period from the date that the Company was incorporated, 15 November 2005, to 30 June 2006.*

The above Income Statements should be read in conjunction with the accompanying notes.

balance sheets

As at 30 June 2007

WestSide Corporation Limited **Annual financial report for the year ended 30 June 2007**

		Consolidated		Parent entity	
		2007	2006	**2007**	2006
	Notes	**$'000**	$'000	**$'000**	$'000
ASSETS					
Current assets					
Cash and cash equivalents	7	**24,722**	–	**24,722**	–
Trade and other receivables	8	**473**	–	**473**	–
Inventories	9	**289**	–	**289**	–
Total current assets		**25,484**	–	**25,484**	–
Non-current assets					
Other financial assets	10	**–**	–	**2,990**	–
Property, plant and equipment	11	**39**	–	**39**	–
Intangible assets – exploration and evaluation costs	12	**3,005**	–	**–**	–
Total non-current assets		**3,044**	–	**3,029**	–
Total assets		**28,528**	–	**28,513**	–
LIABILITIES					
Current liabilities					
Trade and other payables	13	**634**	–	**634**	–
Total current liabilities		**634**	–	**634**	–
Non-current liabilities					
Provisions	14	**15**	–	**–**	–
Total non-current liabilities		**15**	–	**–**	–
Total liabilities		**649**	–	**634**	–
Net assets		**27,879**	–	**27,879**	–
EQUITY					
Contributed equity	15	**28,144**	–	**28,144**	–
Reserves	16(a)	**68**	–	**68**	–
Accumulated losses	16(b)	**(333)**	–	**(333)**	–
Total equity		**27,879**	–	**27,879**	–

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

cash flow statements

For the year ended 30 June 2007

		Consolidated		Parent entity	
		2007	2006*	**2007**	2006*
	Notes	**$'000**	$'000	**$'000**	$'000
Cash flows from operating activities					
Receipts of refunds of goods and services tax		**195**	–	**195**	–
Payments to suppliers and employees (inclusive of goods and services tax)		**(1,061)**	–	**(1,061)**	–
Interest received		**508**	–	**508**	–
Net cash outflow from operating activities	7(a)	**(358)**	–	**(358)**	–
Cash flows from investing activities					
Payments for exploration and evaluation		**(1,435)**	–	**–**	–
Payments for acquisition of interests in exploration tenements		**(1,000)**	–	**–**	–
Payments for property, plant and equipment		**(43)**	–	**(43)**	–
Investments in subsidiaries		**–**	–	**(2,435)**	–
Net cash outflow from investing activities		**(2,478)**	–	**(2,478)**	–
Cash flows from financing activities					
Proceeds from issues of shares		**29,831**	–	**29,831**	–
Payments of share issue costs		**(2,185)**	–	**(2,185)**	–
Net cash inflow from financing activities		**27,646**	–	**27,646**	–
Net increase in cash and cash equivalents		**24,810**	–	**24,810**	–
Cash and cash equivalents at the beginning of the financial year		**–**	–	**–**	–
Effects of exchange rate changes on cash and cash equivalents		**(88)**	–	**(88)**	–
Cash and cash equivalents at end of year	7	**24,722**	–	**24,722**	–

Non-cash investing and financing activities are disclosed in note 7(b).

** 2006 comparatives are for the period from the date that the Company was incorporated, 15 November 2005, to 30 June 2006.*

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

statements of changes in equity

For the year ended 30 June 2007

WestSide Corporation Limited **Annual financial report for the year ended 30 June 2007**

		Consolidated		Parent entity	
		2007	2006*	**2007**	2006*
	Notes	**$'000**	$'000	**$'000**	$'000
Total equity at the beginning of the financial year		**–**	–	**–**	–
Changes in the fair value of cash flow hedges, net of tax	16(a)	**(82)**	–	**(82)**	–
Net loss recognised directly in equity		**(82)**	–	**(82)**	–
Loss for the year		**(333)**	–	**(333)**	–
Total recognised income and (expense) for the year		**(415)**	–	**(415)**	–
Transactions with equity holders in their capacity as equity holders:					
Contributions of equity, net of transaction costs	15(c)	**27,644**	–	**27,644**	–
Employee share options	16(a)	**150**	–	**150**	–
Recognition of fair value of shares issued for interests in exploration tenements	15(c)	**500**	–	**–**	–
Recognition of fair value of shares issued for interests in exploration tenements held by subsidiaries	15(c)	**–**	–	**500**	–
		28,294	–	**28,294**	–
Total equity at the end of the financial year		**27,879**	–	**27,879**	–
Total recognised income and expense for the year is attributable to:					
Members of WestSide Corporation Limited		**(415)**	–	**(415)**	–
Minority interest		**–**	–	**–**	–
		(415)	–	**(415)**	–

** 2006 comparatives are for the period from the date that the Company was incorporated, 15 November 2005, to 30 June 2006.*

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

notes to the financial statements

WestSide Corporation Limited **Annual financial report for the year ended 30 June 2007**

This financial report covers both WestSide Corporation Limited as an individual entity (Parent Entity) and the Consolidated Entity consisting of WestSide Corporation Limited 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 principal place of business is: Suite 5, Level 2, 320 Adelaide 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 6 to 17 and in the Directors' Report on pages 20 to 25, 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 2007. 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 the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for WestSide Corporation Limited as an individual entity and the Consolidated Entity consisting of WestSide Corporation Limited and its subsidiaries.

(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.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the consolidated financial statements and notes of WestSide Corporation Ltd comply with International Financial Reporting Standards (IFRS). The Parent Entity financial statements and notes also comply with IFRS except that it has elected to apply the relief provided to parent entities in respect of certain disclosure requirements contained in AASB 132 Financial Instruments: Presentation and Disclosure.

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.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of WestSide Corporation Limited ("Company" or "Parent Entity" or "WestSide") as at 30 June 2007 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 purchase 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.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated Income Statement and Balance Sheet respectively.

Investments in subsidiaries are accounted for at cost in the individual financial statements of WestSide Corporation Limited and include funds advanced to subsidiaries which do not bear interest and are repayable on demand.

(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. Collectibility is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts 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 provision 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 the provision is recognised in the Income Statement.

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

(d) Inventories

Stores and consumables 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 55 of this Annual Report.

Exploration expenditure for each area of interest, other than that acquired from the purchase of another mining or exploration company, 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.

Expenditure is not carried forward in respect of any area of interest unless the Company'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.

Restoration, rehabilitation and environmental costs

Future estimated costs for the restoration and rehabilitation of areas affected by 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 borrowing 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 exploration and evaluation phase are dealt with retrospectively, with any amounts that would have been written off or provided against under the accounting policy for exploration and evaluation immediately written off.

(f) Business combinations

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of assets given up, shares issued or liabilities undertaken at the date of acquisition plus any incidental costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their market price as at the acquisition date unless it can be demonstrated that the published price at the date of acquisition is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

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 that are subject to depreciation 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.

Exploration and evaluation assets are assessed for impairment 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 amount. These are included in the Income Statement.

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 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	2-6 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.

The fair value of Incentive Options 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 the Share Option Reserve over the period during which the employees become unconditionally entitled to the options or shares. When the options are exercised 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.

The assessed fair value at grant date of the shares 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 options being included in the measurement of the transaction being adjusted to reflect the number of options 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.

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

The consolidated financial statements are presented in Australian dollars, which is the functional and presentation currency of each of the Group companies.

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 Income Statement, 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.

(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:

Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading; and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in the category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

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.

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.

(p) Hedging

The Group designates certain financial assets or derivatives as either: (1) hedges of the fair value of recognised assets or liabilities (fair value hedge); or (2) hedges of highly probable forecast transactions or a firm commitment (cash flow hedges).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair value

Changes in the fair value of financial assets or derivatives that are designated and qualify as fair value hedges are recorded in the Income Statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedge

The effective portion of changes in the fair value of financial assets or derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement.

Amounts accumulated in equity are recycled in the Income Statement in the periods when the hedged item will affect profit or loss (for instance when the forecast expense that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Income Statement.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the Income Statement.

(q) 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 nominal value less estimated credit adjustments 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.

(r) 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, 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.

(s) 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.

(t) 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 Income Statement on a straight-line basis over the life of the lease.

(u) Rounding of amounts

The Company is of a kind referred to in Class order 98/0100, issued by the Australian Securities and Investments Commission, relating to the ''rounding off'' of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(v) Goods and services tax

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

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

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

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 Statement.

All cash flows from investing activities and from financing activities are net of GST as all associated GST cash flows are included in cash flows from operating activities.

(w) New accounting standards and UIG interpretations

Certain new accounting standards and UIG interpretations have been published that are not mandatory for 30 June 2007 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below.

Reference	Title and topic	Applicable from*	Impact on financial report
AASB 7	Financial instruments: disclosures	1/1/2007	(1)
AASB 2005-10	Amendments to Australian Accounting Standards (AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 and AASB 1038): consequential amendments arising as a result of the release of AASB 7	1/1/2007	(1)
AASB-I 10	Interim Financial Reporting and Impairment	1/11/2006	(1)
AASB 101	Amendments to AASB 101 Presentation of Financial Statements	1/1/2007	(1)
AASB-I 11	AASB 2 – Group and Treasury Share Transactions	1/3/2007	(2)
AASB 2007-1	Amendments to Australian Accounting Standards arising from AASB Interpretation 11	1/3/2007	(2)
AASB 8	Operating segments	1/1/2009	(1)
AASB 2007-3	Amendments to Australian Accounting Standards resulting from AASB 8	1/1/2009	(1)
AASB 2007-4	Amendments to Australian Accounting Standards arising from ED 151	1/7/2007	(3)
AASB 2007-7	Amendments to Australian Accounting Standards AASB 1, AASB 2, AASB 4, AASB 5, AASB 107 and AASB 128	1/7/2007	(2)
AASB 123	Borrowing costs	1/7/2009	(2)
AASB 2007-6	Amendments to Australian Accounting Standards arising from AASB 123	1/7/2009	(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 will impact the type of information disclosed in relation to the Group's financial instruments.

(2) Application of the standard is not expected to have an impact on the Group's financial statements.

(3) The amendments introduce a number of reporting options that existed under International Financial Reporting Standards (IFRS) but had not been included in the original Australian equivalents to IFRS and remove many of the additional Australian disclosure requirements. The Group does not intend to adopt any of the new options made available by this standard. Application of the revised standards is not expected to affect any of the amounts recognised in the financial statements, but it may remove some of the disclosures which are currently required.

(x) Financial risk management

The Group seeks to minimise potential adverse effects on the financial performance of the Group arising from currency risk, interest rate risk, credit risk and funding risk. The Group has implemented a range of policies and procedures designed to assess and mitigate these risks.

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.

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

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity. When the cash flows occur, the Group adjusts the initial measurement of the component recognised in the Balance Sheet by the related amount deferred in equity.

At balance date, the Group held foreign currency to cover specific firm orders and loan repayments denominated in foreign currency. At 30 June 2007, $1,531,000 (USD $1,299,000) was held to cover these expected cash flows (2006 : nil).

All amounts were expected to be paid within three months of balance date.

Interest rate risk

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.

Credit risk

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

Funding risk

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.

(y) Critical accounting estimates and judgements

The preparation of financial statements in conformity with AIFRS 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 appraisal expenditure

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 would consider would significantly affect amounts recognised in the financial statements.

2 Segment information

The Group operates in one business segment, being the petroleum industry. Activities include the exploration and evaluation of potential gas resources. In the year ended 30 June 2007 the Group's activities are conducted in one geographical segment, being the Bowen Basin, Queensland. The Group will be commencing exploration and appraisal activities in Indonesia in the year to 30 June 2008.

3 Revenue

	Consolidated		Parent entity	
	2007	2006*	**2007**	2006*
	$'000	$'000	**$'000**	$'000
From continuing operations				
Other revenue				
Interest	**866**	–	**866**	–
Total revenue from continuing operations	**866**	–	**866**	–

4 Other income

	Consolidated		Parent entity	
	2007	2006*	**2007**	2006*
	$'000	$'000	**$'000**	$'000
Net foreign exchange gains	**3**	–	**3**	–
Total other income	**3**	–	**3**	–

** 2006 comparatives are for the period from the date that the Company was incorporated, 15 November 2005, to 30 June 2006.*

5 Other expenses

	Consolidated		Parent entity	
	2007	2006*	**2007**	2006*
	$'000	$'000	**$'000**	$'000
Profit before income tax includes the following specific expenses:				
Expenses arising from share-based payment transactions				
Options granted to Directors and management	**150**	–	**150**	–
Amount capitalised to deferred exploration and evaluation asset	**(35)**	–	**(35)**	–
Expenses arising from share-based payment transactions	**115**	–	**115**	–
Depreciation				
Depreciation – Plant and equipment	**4**	–	**4**	–
Amount capitalised to deferred exploration and evaluation asset	**(1)**	–	**(1)**	–
Depreciation expense	**3**	–	**3**	–
Defined contribution superannuation contributions				
Defined contribution superannuation expense	**53**	–	**53**	–
Amount capitalised to deferred exploration and evaluation asset	**(10)**	–	**(10)**	–
Defined contribution superannuation contributions	**43**	–	**43**	–
Rental expense relating to operating leases				
Minimum lease payments	**51**	–	**51**	–
Amount capitalised to deferred exploration and evaluation asset	**(12)**	–	**(12)**	–
Rental expense relating to operating leases	**39**	–	**39**	–

** 2006 comparatives are for the period from the date that the Company was incorporated, 15 November 2005, to 30 June 2006.*

6 Income tax expense

	Consolidated		Parent entity	
	2007	2006*	**2007**	2006*
	$'000	$'000	**$'000**	$'000
(a) Income tax expense				
Current tax	**(1,190)**	–	**(293)**	–
Deferred tax	**1,007**		**110**	–
Current year tax losses not recognised	**183**	–	**183**	–
Income tax expense attributable to profit from continuing operations	**–**	–	**–**	–
Deferred income tax expense included in income tax expense comprises:				
Increase in deferred tax assets	**(84)**	–	**(84)**	–
Increase in deferred tax liabilities	**1,091**	–	**194**	–
	1,007	–	**110**	–
(b) Numerical reconciliation of income tax expense to prima facie tax payable				
Loss from continuing operations before income tax expense	**(333)**	–	**(333)**	–
Tax at the Australian tax rate of 30% (2006 – 30%)	**(100)**	–	**(100)**	–
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:				
Share issue costs	**(143)**	–	**(143)**	–
Share-based payments	**45**	–	**45**	–
Legal fees	**15**	–	**15**	–
	(183)	–	**(183)**	–
Current year tax losses not recognised	**183**	–	**183**	–
Income tax expense	**–**	–	**–**	–
(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	**573**	–	**573**	–
Current year tax losses not recognised	**(573)**	–	**(573)**	–
	–	–	**–**	–
(d) Tax losses				
Unused tax losses for which no deferred tax asset has been recognised	**3,968**	–	**978**	–
Potential tax benefit @ 30%	**1,190**	–	**293**	–

All unused tax losses were incurred by Australian entities.

** 2006 comparatives are for the period from the date that the Company was incorporated, 15 November 2005, to 30 June 2006.*

(e) Unrecognised temporary differences

	Consolidated		Parent entity	
	2007	2006*	**2007**	2006*
	$'000	$'000	**$'000**	$'000
Net deferred tax liability comprises temporary differences attributable to :				
Share issue costs	**573**	–	**573**	–
Professional fees	**55**	–	**55**	–
Accruals	**20**	–	**20**	–
Employee entitlements	**9**	–	**9**	–
Deferred tax assets	**657**	–	**657**	–
Deferred exploration and evaluation costs	**984**	–	**87**	–
Interest receivable	**107**	–	**107**	–
Deferred tax liability	**1,091**	–	**194**	–
Net deferred tax liability/(asset)	**434**	–	**(463)**	–
Unused tax losses not brought to account	**(434)**	–	**–**	–
Deferred tax asset not brought to account	**–**	–	**463**	–
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).

7 Current assets - Cash and cash equivalents

	Consolidated		Parent entity	
	2007	2006	**2007**	2006
	$'000	$'000	**$'000**	$'000
Cash at bank and in hand	**1,017**	–	**1,017**	–
Deposits at call	**23,705**	–	**23,705**	–
	24,722	–	**24,722**	–

Cash at bank and in hand are bearing interest rates between nil and 4.75% (2006 : n/a).

The deposits are bearing floating interest rates between 5.23% and 6.60% (2006 : n/a). These deposits have an average maturity of 53 days.

** 2006 comparatives are for the period from the date that the Company was incorporated, 15 November 2005, to 30 June 2006*

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

	Consolidated		Parent entity	
	2007	2006*	**2007**	2006*
	$'000	$'000	**$'000**	$'000
Loss for the year	**(333)**	–	**(333)**	–
Non-cash employee benefits expense - share-based payments	**115**	–	**115**	–
Depreciation	**3**	–	**3**	–
Net exchange differences	**4**	–	**4**	–
Change in operating assets and liabilities:				
Increase in receivables and other current assets	**(473)**	–	**(473)**	–
Increase in trade and other payables	**326**	–	**326**	–
Net cash outflow from operating activities	**(358)**	–	**(358)**	–

(b) Non-cash investing and financing activities

Issue of Incentive Options to Directors and employees

During the year, the Company issued 1,960,000 Incentive Options to Directors and employees under the terms of the WestSide Director and Employee Incentive Option Plan. The terms of the options issued are set out in more detail in note 15(e).

Issue of March 2009 Options

During the year, the Company issued 36,531,000 "March 2009 Options" to shareholders for no consideration. The terms of the options issued are set out in more detail in note 15(e).

Shares issued in lieu of share issue costs

The Company issued 400,000 shares with a value of $200,000 in settlement of costs incurred in issuing shares during the year.

8 Current assets – Trade and other receivables

	Consolidated		Parent entity	
	2007	2006	**2007**	2006
	$'000	$'000	**$'000**	$'000
Interest receivable	**358**	–	**358**	–
Other receivables	**60**	–	**60**	–
Prepayments	**34**	–	**34**	–
Deposits	**21**	–	**21**	–
	473	–	**473**	–

The aggregate carrying values of financial assets approximates the net fair values.

Other receivables are non-interest bearing.

The Group monitors and controls its credit risks as set out in more detail at note 1(x).

9 Current assets – Inventories

Stores and consumables – at cost	**289**	–	**289**	–

** 2006 comparatives are for the period from the date that the Company was incorporated, 15 November 2005, to 30 June 2006*

10 Non – current assets – Other financial assets

	Consolidated		Parent entity	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Investment in subsidiaries – at cost	–	–	2,990	–

Investments in subsidiaries include funds advanced to subsidiaries which do not bear interest and are repayable on demand. The Parent Entity does not expect to require repayment of these advances in the next twelve months.

11 Non-current assets – Property, Plant & Equipment

Furniture, fittings and equipment				
Cost	43	–	43	–
Less accumulated depreciation	(4)	–	(4)	–
	39	–	39	–
Reconciliation of movements				
Balance at the start of the year	–	–	–	–
Additions	43	–	43	–
Depreciation expense	(4)	–	(4)	–
Balance at the end of the year	39	–	39	–

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

Balance at the start of the year	–	–	–	–
Additions	2,990	–	–	–
Restoration asset	15	–	–	–
Balance at the end of the year	3,005	–	–	–

13 Current liabilities - Trade and other payables

Trade payables and accruals	604	–	604	–
Employee benefits	30	–	30	–
	634	–	634	–

Trade payables and accruals do not bear interest and the aggregate carrying values of these financial liabilities approximates the net fair values. Payables of $9,000 (2006 : nil) are secured by a right of set-off against cash on deposit.

14 Non-current liabilities - Provisions

Provision for restoration and rehabilitation				
Balance at the start of the year	–	–	–	–
Additional provisions recognised	15	–	–	–
Balance at the end of the year	15	–	–	–

The Group is required to rehabilitate areas disturbed by its exploration activities. These restoration activities may be performed at any time up to the time that the exploration tenement is relinquished. In raising the provision above, it has been estimated that the areas will be rehabilitated at the expiry of the relevant Authority to Prospect. Further explanation is provided at note 1(e).

15 Contributed equity

	Notes	Parent entity 2007 Shares	Parent entity 2006 Shares	Parent entity 2007 $'000	Parent entity 2006 $'000
(a) Share capital					
Authorised and issued ordinary shares – fully paid	15(c),(d)				
Quoted on the ASX		**60,062,000**	–		
Unquoted		**14,000,000**	2		
Total contributed equity		**74,062,000**	2	28,144	–

(b) Other equity securities	Notes	2007 Options	2006 Options
Share options – 50 cents expiring 31 March 2009	15(e)		
Quoted on ASX		**30,031,000**	–
Unquoted		**6,500,000**	–
		36,531,000	–
Share options – incentive options – unquoted		**1,960,000**	
Total other equity securities		**38,491,000**	–

(c) Movements in ordinary share capital

Date	Details	Notes	Number of shares	Issue price $	$'000
15 November 2005	Issue of shares on incorporation		2	1.00	–
30 June 2006	Balance		2		–
18 October 2006	Share split 6,500,000 : 1	(i)	12,999,998		–
14 November 2006	Shares issued	(ii)	1,000,000	0.50	500
19 December 2006	Shares issued	(ii)	20,400,000	0.50	10,200
28 December 2006	Shares issued	(ii)	20,400,000	0.50	10,200
3 January 2007	Shares issue	(iii)	1,000,000	0.50	500
4 January 2007	Shares issued – Initial public offering	(iv)	18,262,000	0.50	9,131
	Less : Transaction costs arising on share issue				(2,387)
30 June 2007	Balance		74,062,000		28,144

(i) Each share on issue at 18 October 2006 was split into 6,500,000 shares.

(ii) In November and December 2006, shares were issued to the founding shareholder and cornerstone investors, raising $20.9 million.

(iii) On 3 January 2007, 1 million shares were issued for an aggregate of $400 pursuant to farmin agreements under which Group companies obtained 50% interests in four exploration tenements. The shares had a fair value of $500,000 based on the price paid by cornerstone investors in December 2006 and subscribers to the Initial Public Offering for shares in the Company. The difference between the fair value of the shares issued and the cash consideration received ($499,600) has been treated as a tenement acquisition cost and capitalised as deferred exploration and evaluation costs.

(iv) On 4 January 2007, 18,262,000 shares were issued to subscribers to the Company's Initial Public Offering at 50 cents each. Subscribers received one free option for every two shares acquired. The options entitle the holder to purchase one ordinary share for 50 cents at any time up to 31 March 2009.

(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) Options

At 30 June 2007, there were 38.491 million (2006 : nil) unexpired options on issue. Each option can be converted into an ordinary share upon payment of the exercise price if the terms summarised below have been satisfied:

	March 2009 Options Number	Incentive Options Number	Total Number
Balance 30 June 2006	–	–	–
Issued during the year	36,531,000	1,960,000	38,491,000
Balance 30 June 2007	36,531,000	1,960,000	38,491,000

March 2009 Options

Founding shareholders, cornerstone investors and subscribers to the Company's Initial Public Offering received one free option for every two shares held. Each option entitles the holder to receive one ordinary share in the Company upon payment of 50 cents. The options lapse on 31 March 2009. 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.

			Number of options			
Issue date	**Expiry date**	**Exercise price**	**Balance at the start of the year**	**Granted during the year**	**Balance at the end of the year**	**Exercisable at the end of the year**
Consolidated and Parent Entity – 2007						
16 November 2006	31 March 2009	$0.50	–	7,000,000	7,000,000	500,000
19 December 2006	31 March 2009	$0.50	–	10,200,000	10,200,000	10,200,000
28 December 2006	31 March 2009	$0.50	–	10,200,000	10,200,000	10,200,000
4 January 2007	31 March 2009	$0.50	–	9,131,000	9,131,000	9,131,000
Total 30 June 2007			–	36,531,000	36,531,000	30,031,000
Weighted average exercise price ($)			–	$0.50	$0.50	$0.50

Incentive Options

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 10 January 2010, and must be exercised before their expiry date, 10 January 2013. 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.

			Number of options		
Issue date	**Expiry date**	**Exercise price**	**Balance at the start of the year**	**Issued during the year**	**Balance at the end of the year(i)**
Consolidated and Parent Entity – 2007					
16 November 2006	10 January 2013	$0.50	–	1,700,000	1,700,000
10 May 2007	10 January 2013	$0.50	–	260,000	260,000
Total 30 June 2007				1,960,000	1,960,000
Weighted average exercise price ($)				$0.50	$0.50

(i) The weighted average remaining contractual life of Incentive Options outstanding at the end of the year is 2,021 days (2006 : n/a).

There were no Incentive Options on issue in the year ended 30 June 2006.

No Incentives Options were exercisable at 30 June 2007.

The weighted average fair value of Incentive Options granted during the year ended 30 June 2007 was 27 cents per option (2006 : n/a). 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 : $0.50
- term of the option : 5 years – the estimated exercise date part way through the vesting period (10 January 2010 – 10 January 2013)
- expiry date : 10 January 2013
- expected share price volatility : 60%
- expected dividend yield : nil
- risk-free interest rate : the five year Australian Government Bond Rate as applicable at individual grant dates – between 5.78% and 6.15%.

The expected price volatility is based on the historic volatility (based on the expected life of the options) of a selection of junior coal seam gas exploration companies.

16 Reserves and retained profits

	Consolidated		Parent entity	
	2007	2006	**2007**	2006
	$'000	$'000	**$'000**	$'000
(a) Reserves				
Share option reserve	**150**	–	**150**	–
Hedging reserve - cash flow hedges	**(82)**	–	**(82)**	–
Total reserves	**68**	–	**68**	–
Movements:				
Share option reserve				
Balance at the start of the year	**–**	–	**–**	–
Employee option expense	**150**	–	**150**	–
Balance at the end of the year	**150**	–	**150**	–
Hedging reserve - cash flow hedges				
Balance at the start of the year	**–**	–	**–**	–
Revaluation - gross	**(97)**	–	**(97)**	–
Transfer to inventory and other assets - gross	**15**	–	**15**	–
Balance at the end of the year	**(82)**	–	**(82)**	–

(b) Accumulated losses

Movements in accumulated losses were as follows:

Balance at the start of the year	**–**	–	**–**	–
Net loss for the year	**(333)**	–	**(333)**	–
Balance at the end of the year	**(333)**	–	**(333)**	–

(c) Nature and purpose of reserves

(i) Share option reserve

The share option reserve is used to recognise the fair value of share options granted or issued.

(ii) Hedging reserve - cash flow hedges

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, as described in note 1(p). Amounts are recognised in profit and loss when the associated hedged transaction affects profit and loss, or transferred to inventories, exploration and evaluation costs or fixed assets as appropriate.

17 Subsidiaries

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

Name of entity	Country of incorporation	Class of shares	Equity holding *	
			2007	2006
			%	%
Westside ATP 688P Pty Ltd	Australia	Ordinary	**100**	–
Westside ATP 693P Pty Ltd	Australia	Ordinary	**100**	–
Westside ATP 769P Pty Ltd	Australia	Ordinary	**100**	–
Westside ATP 811P Pty Ltd	Australia	Ordinary	**100**	–
Westside Marketing Pty Ltd	Australia	Ordinary	**100**	–
Westside KPC Holdings Pte Ltd	Singapore	Ordinary	**100**	–

* The proportion of ownership interest is equal to the proportion of voting power held. All subsidiaries were incorporated during the year.

18 Contingencies

To retain its 50% interest in exploration tenements ATP 688P, ATP 693P, ATP 769P and ATP 811P the Group must satisfy the requirements of farm-in agreements which require the completion of exploration and appraisal work programs. The Group's commitments under these farm-in agreements are included in the commitments set out below in note 19(a). Failure to satisfy these requirements for any tenement would result in the Group relinquishing its ownership interest in the respective tenement.

19 Commitments

(a) Capital commitments

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

	Consolidated		Parent entity[2]	
	2007	2006	**2007**	2006
	$'000	$'000	**$'000**	$'000
Intangible assets – exploration and evaluation costs [1]				
Payable:				
Within one year	**9,300**	–	**9,300**	–
	9,300	–	**9,300**	–

(1) Although the Group has not necessarily contracted with suppliers for the above exploration work, the Group is committed to conducting exploration and appraisal programs in order to meet the conditions of the farm-in agreements to maintain the Group's interests in its Authorities to Prospect.
These amounts represent expected expenditure required to complete these work programs.

(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.

(b) Operating lease commitments

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

	Consolidated		Parent entity	
	2007	2006	**2007**	2006
	$'000	$'000	**$'000**	$'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	**18**	–	**18**	–
	18	–	**18**	–

(c) Remuneration commitments

	Consolidated		Parent entity	
	2007	2006	**2007**	2006
	$'000	$'000	**$'000**	$'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	**231**	–	**231**	–
	231	–	**231**	–

20 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 subsidiaries are set out in note 17.

(b) Key management personnel

Disclosures relating to key management personnel are set out in note 21.

(c) Transactions with related parties

The following transactions occurred with related parties:

	Consolidated		Parent entity	
	2007	2006*	**2007**	2006*
	$	$	**$**	$
Costs incurred on behalf of subsidiaries	**–**	–	**2,989,979**	–

The Parent Entity conducts day-to-day operations on behalf of its subsidiaries. Costs incurred on behalf of subsidiary companies are recorded as payable by the subsidiary to the Parent Entity, and outstanding balances do not bear interest and are repayable on demand. The Parent Entity does not expect to require repayment of these advances in the next twelve months. The outstanding balances are classified as investments in subsidiaries as set out in note 10.

(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		Parent entity	
	2007	2006	**2007**	2006
	$	$	**$**	$
Non-current assets – Other financial assets				
From subsidiaries for loans receivable	**–**	–	**2,989,979**	–

No provisions for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

** 2006 comparatives are for the period from the date that the Company was incorporated, 15 November 2005, to 30 June 2006*

21 Key management personnel disclosures

(a) Directors

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

Name	Position	Period of appointment (year ended 30 June)	
		2007	2006*
M Cavell	Chairman (Non-executive)	From 10 August 2006	–
S Cullum	Chief Executive Officer	From 18 July 2006	–
A Karoll	Director (Non-executive)	To 10 January 2007	Full year from 15 November 2005
	Executive Director – Strategy and Business Development	From 10 January 2007	–
Non-executive Directors			
K Farrell	Director	From 30 May 2007	–
A Gall	Director	Full year	Full year from 15 November 2005
T Karoll	Director	From 25 August 2006	–
D Simpson	Director	To 25 September 2006	Full year from 15 November 2005

(b) Other key management personnel

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

Name	Position	Period of employment (year ended 30 June)	
		2007	2006*
L Brown	Operations manager	From 13 June 2007	–
D Galvin	Chief Financial Officer and Company Secretary	From 2 October 2006	–

(c) Key management personnel compensation

	Consolidated and Parent entity	
	2007	2006*
	$	$
Short-term employee benefits	590,098	–
Post-employment benefits	44,075	–
Share-based payments	145,182	–
	779,355	–

The Company has taken advantage of the relief provided by the Corporations Regulation 2M.6.04 and has transferred the detailed remuneration disclosures to the Directors' Report. The relevant information can be found in sections A-D of the Remuneration Report, included within the Directors' Report attached to the financial statements.

* 2006 comparatives are for the period from the date that the Company was incorporated, 15 November 2005, to 30 June 2006.

(d) Equity instrument disclosures relating to key management personnel

(i) Options provided as remuneration and shares issued on exercise of such options

Details of options 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.

(ii) 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. There were no options on issue at 30 June 2006.

March 2009 Options – 2007 (Number of options)

Name	Balance at the start of the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year	Vested and unexercisable at the end of the year
Directors of WestSide Corporation Limited					
M Cavell	–	40,000	40,000	20,000	20,000
S Cullum	–	100,000	100,000	50,000	50,000
K Farrell	–	200,000	200,000	200,000	–
A Gall	–	100,000	100,000	50,000	50,000
A Karoll	–	6,645,000	6,645,000	500,000	6,145,000
T Karoll	–	100,000	100,000	50,000	50,000
Other key management personnel of the Group					
D Galvin	–	5,000	5,000	5,000	–

Incentive Options – 2007 (Number of options)

Name	Balance at the start of the year	Granted as compensation during the year	Balance 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					
M Cavell	–	300,000	300,000	–	300,000
S Cullum	–	300,000	300,000	–	300,000
A Gall	–	300,000	300,000	–	300,000
A Karoll	–	300,000	300,000	–	300,000
T Karoll	–	200,000	200,000	–	200,000
Other key management personnel of the Group					
D Galvin	–	300,000	300,000	–	300,000

(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 – 2007 (Number of shares)

Name	Balance at the start of the year	Other changes during the year	Balance at the end of the year
Directors of WestSide Corporation Limited			
M Cavell	–	80,000	80,000
S Cullum	–	200,000	200,000
K Farrell	–	400,000	400,000
A Gall	–	200,000	200,000
A Karoll	2	13,289,998	13,290,000
T Karoll	–	200,000	200,000
Other key management personnel of the Group			
D Galvin	–	10,000	10,000
Ordinary shares – 2006* (Number of shares)			
Directors of WestSide Corporation Limited			
A Karoll	–	2	2

* The Company was incorporated on 15 November 2005.

22 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		Parent entity	
	2007	2006*	2007	2006*
	$	$	$	$
(a) Audit services				
Audit and review of financial reports	**43,000**	–	**43,000**	–
(b) Non-audit services				
Taxation services				
International taxation advice	**31,000**	–	**31,000**	–
Farm-in agreement advice	**18,000**	–	**18,000**	–
Advice on equity incentive plans	**7,500**	–	**7,500**	–
GST advice	**500**	–	**500**	–
Total remuneration for taxation services	**57,000**	–	**57,000**	–
Other services				
Review of accounting treatment of specific transactions	**1,412**	–	**1,412**	–
The following fees were paid or payable for services provided by related practices of PricewaterhouseCoopers Australian firm:				
Assurance services				
Due diligence services	**60,257**	–	**60,257**	–
Total non-audit services	**118,669**	–	**118,669**	–

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.

* 2006 comparatives are for the period from the date that the Company was incorporated, 15 November 2005, to 30 June 2006.

23 Earnings per share

	Consolidated 2007 Cents	2006* Cents
(a) Basic and diluted earnings per share		
Loss from continuing operations attributable to the ordinary equity holders of the Company	**(0.8)**	–

	Consolidated 2007 $'000	2006* $'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	**(333)**	–

	Consolidated 2007 Number	2006* 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	**44,038,833**	2

(d) Information concerning the classification of securities

Potential shares that may arise from share options, in relation to the Company's recorded loss for the year, are antidilutive and have not been used to calculate diluted loss per share. Details of options are set out in note 15(e).

24 Events occurring after the balance sheet date

Issue of options

On 28 August 2007 the Company issued 349,000 Incentive Options to staff pursuant to the WestSide Director and Employee Incentive Option Plan. The Incentive Options will be exercisable between 1 July 2010 and 30 June 2012 at an exercise price of 91 cents per share, being the weighted average price of the Company's shares for 10 days prior to 30 June 2007. Shareholders will be asked to approve the issue of a further 105,000 Incentive Options to Directors on the same terms at the Company's Annual General Meeting in November 2007.

* 2006 comparatives are for the period from the date that the Company was incorporated, 15 November 2005, to 30 June 2006.

directors' declaration

WestSide Corporation Limited **Annual financial report for the year ended 30 June 2007**

In the Directors' opinion:

(a) the financial statements and notes set out on pages 27 to 49 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 2007 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; and

(c) the audited remuneration disclosures set out on pages 22 to 24 of the Directors' Report comply with Accounting Standard AASB 124 Related Party Disclosures and the Corporations Regulations 2001.

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.

S Cullum

Director

Brisbane

26 September 2007

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
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Independent audit report to the members of Westside Corporation Limited

Report on the financial report and the AASB 124 Remuneration disclosures contained in the directors' report

We have audited the accompanying financial report of Westside Corporation Limited (the company, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both Westside Corporation Limited and the 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.

We have also audited the remuneration disclosures contained in the directors' report. As permitted by the Corporations Regulations 2001, the company has disclosed information about the remuneration of directors and executives ("remuneration disclosures"), required by Accounting Standard AASB 124 Related Party Disclosures, under the heading "remuneration report" in pages 22 to 24 of the directors' report and not in the financial report.

Directors' responsibility for the financial report and the AASB 124 Remunerations disclosures contained in the directors' report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

The directors of the company are also responsible for the remuneration disclosures contained in the directors' report.

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. Our responsibility is to also express an opinion on the remuneration disclosures contained in the directors' report based on our audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and the remuneration disclosures contained in the directors' report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report and the remuneration disclosures contained in the directors' 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 and the remuneration disclosures contained in the directors' 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 and the remuneration disclosures contained in the directors' report.

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

For further explanation of an audit, visit our website www.pwc.com/au/financialstatementaudit.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

audit report continued

Matters relating to the electronic presentation of the audited financial report

This audit report relates to the financial report and remuneration disclosures of Westside Corporation Limited (the company) and the Westside Corporation Limited group for the financial year ended 30 June 2007 included on the Westside Corporation Limited 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 audit report refers only to the financial report and remuneration disclosures identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report or remuneration disclosures. 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 disclosures to confirm the information included in the audited financial report and remuneration disclosures presented on this web site.

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 Corporation Act 2001, including:

  (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their 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 consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(a).

Auditor's opinion on the AASB 124 Remuneration disclosures contained in the directors' report

In our opinion, the remuneration disclosures that are contained in pages 22 to 24 of the directors' report comply with Accounting Standard AASB 124.

PricewaterhouseCoopers

Stephen R Snook
Partner

Brisbane

26 September 2007

shareholder information

The shareholder information set out below was applicable as at 19 September 2007.

A. Distribution of equity securities

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

			Ordinary shares	March 2009 Options	Incentive Options
Number of securities held			Shareholders	Optionholders	Optionholders
1	–	1,000	14	–	–
1,001	–	5,000	164	230	–
5,001	–	10,000	152	34	–
10,001	–	100,000	132	88	1
100,001	and over		29	25	9
			491	377	10

There were 5 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:

Name	Ordinary Shares Number held	Percentage of issued shares
National Nominees Limited	22,406,197	30.3
PT Bumi Resources TBK	20,400,000	27.5
Mr Angus Nelson Karoll	13,290,000	17.9
ANZ Nominees Limited	2,550,729	3.4
Citicorp Nominees Ltd	1,693,254	2.3
Mr Ian Stolyar	1,300,000	1.8
BNG (Surat) Pty Ltd	625,000	0.8
Mr Bradley John Pettersson	400,000	0.5
Mr Kenneth Patrick Farrell and Mrs Petronella Farrell	400,000	0.5
Top Dog Trading Pty Ltd	308,869	0.4
Newvest Pty Ltd	300,000	0.4
Phalaris Pty Ltd	300,000	0.4
Kamera Investment Holdings Limited	260,000	0.4
New South Oil Pty Ltd	250,000	0.3
Gullewa Pty Ltd	250,000	0.3
McNeill Nominees Pty Ltd	235,800	0.3
Goldman Sachs JBWere Capital Markets Ltd	231,343	0.3
Allegiance Mining NL	209,259	0.3
Mr Alexander Warner & Mrs Charlotte Warner	200,000	0.3
Darley Pty Ltd	200,000	0.3
Mr Stephen Paul Cullum	200,000	0.3
Mr David Winten Rothwell	200,000	0.3
Total	**66,210,451**	**89.4**

shareholder information continued

The names of the twenty largest holders of March 2009 Options are listed below:

Name	March 2009 Options Number Held	Percentage of options
Citicorp Nominees Ltd	10,700,000	29.0
PT Bumi Resources TBK	10,200,000	27.7
Mr Angus Nelson Karoll	6,645,000	18.0
ANZ Nominees Limited	500,000	1.4
Irrewarra Investments Pty Ltd	250,000	0.7
Top Dog Trading Pty Ltd	243,000	0.7
UBS Wealth Management Australia Nominees Pty Ltd	241,000	0.7
Mr Robert Eliot Slutzkin & Mrs Alys Bloom Slutzkin	230,000	0.6
Mr Bradley John Pettersson	200,000	0.5
Mr Jeremy Robert Antill Pockley	200,000	0.5
Villasor Holdings Pty Ltd	200,000	0.5
Mr Kenneth Patrick Farrell and Mrs Petronella Farrell	200,000	0.5
Parrawarn Pty Ltd	185,000	0.5
Allegiance Mining NL	182,000	0.5
Mr David Segal	150,000	0.4
Newvest Pty Ltd	150,000	0.4
Mr Alexander Warner & Mrs Charlotte Warner	150,000	0.4
Phalaris Pty Ltd	150,000	0.4
Mrs Karen Pisani	148,000	0.4
Kamera Investment Holdings Limited	130,000	0.4
Total	**31,054,000**	**85.0**

Unquoted equity securities

	Number on issue	Number of holders
Incentive Options issued under the WestSide Director and Employee Incentive Option Plan	2,309,000	10
Ordinary Shares	14,000,000	12
March 2009 Options	6,500,000	9

Holders of greater than 20% of the above unquoted security classes not issued under an employee incentive scheme

Name	Class	Number of securities held	Percentage of unquoted security class
Mr Angus Karoll	Ordinary Shares	12,290,000	87.8%
Mr Angus Karoll	March 2009 Options	6,145,000	94.5%

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**
Citigroup Global Markets Limited*	20,400,000	27.54
Saad Investments Company Ltd	20,400,000	27.54
Angus Karoll	13,290,000	17.94
PT Bumi Resources TBK	20,400,000	27.54

* Relevant interest is held in capacity as prime broker with power to control the disposal of shares.

D. Voting rights

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

(i) 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.

(ii) March 2009 Options and Incentive Options
No voting rights.

E. Restricted securities

Class	Date escrow period ends	Number of securities
Ordinary shares	4 January 2008	1,000,000
Ordinary shares	10 January 2009	13,000,000
March 2009 Options	10 January 2009	6,500,000
Incentive Options	10 January 2009	1,400,000

F. Use of cash and assets

WestSide Corporation Ltd has used the cash and assets held at the time of admission to the Australian Stock Exchange (10 January 2007) in a way which is consistent with the business objectives set out in the Company's Prospectus dated 17 November 2006.

G. Interests in tenements

Tenement	Location	WestSide Interest*
ATP 688P	Bowen Basin – Queensland	50%
ATP 693P	Bowen Basin – Queensland	50%
ATP 769P	Bowen Basin – Queensland	50%
ATP 811P	Bowen Basin – Queensland	50%

* WestSide's interest is subject to completion of farm-in obligations.

corporate governance statement

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 "Principles of Good Corporate Governance and Best Practice Recommendations" to the extent that they are considered applicable to a company of WestSide's size and position as a junior exploration company. These principles have been in operation for the period from when WestSide listed on ASX (10 January 2007) unless otherwise indicated below. Areas where WestSide has elected not to comply with the ASX Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations" are set out below:

ASX recommendation	WestSide position	Reason for difference
Majority of Board should be independent	Majority of Board and Chairman is non-executive, but only two, including the Chairman, of six Directors (M Cavell and A Gall) could be considered independent under the ASX guidelines.	Refer to discussion below (Independence of Directors).
Nomination Committee should be established	The Board performs the duties in relation to the nomination of new Directors.	The Board believes that WestSide is not of sufficient size to warrant formation of a separate Nomination Committee.
Establish formal polices on risk oversight and management	WestSide has an informal process of risk management which involves Senior Management implementing control and risk management systems as considered appropriate. A formal process of risk management is currently being implemented.	The Board considers that the risk management procedures implemented by management are appropriate for a Company of WestSide's size and in relation to the nature of operations in its first year of activity. A comprehensive review of risks was undertaken prior to listing on ASX in January 2007 – these were documented in the Company's Prospectus dated 17 November 2006 and are monitored regularly by management and the Board. Management, in conjunction with the Audit and Compliance Committee will work to implement formal policies on risk management appropriate to the expected complexity of operations in the next twelve months.
Disclose the process for performance evaluation of the Board and key executives	Detailed performance evaluation procedures are currently being developed.	WestSide was listed on ASX in January 2007. Annual performance appraisals are not due until late 2007, and the detailed procedures are being formulated. Once approved by the Board, the process will be disclosed on the Company website.
Remuneration Committee should be established	The Board performs the duties that would otherwise be dealt with by a separate Remuneration Committee.	The Board believes that WestSide is not of sufficient size or complexity to warrant formation of a separate Remuneration Committee.

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, but only two, including the Chairman, of six Directors (M Cavell and A Gall) could be considered independent under the ASX guidelines, notwithstanding that the ASX Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations" indicate that the majority of the Board should be independent.

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.

Importantly, the ownership of shares in WestSide by Directors serves to align the financial interests of the Directors with those of all shareholders, and demonstrates the financial, technical and commercial support of major stakeholders during the early years of an exploration company's development.

(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.

Information on the Board and Committees

Details of the Directors' skills, experience, expertise and membership of Board Committees are set out on pages 18 and 19 of this Annual Report. The number of meetings held, and the attendance of each Director are set out in the Directors' Report.

Details of the Company's remuneration policies and Directors remuneration are set out in the Remuneration Report section of the Directors' Report.

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 a policy of conducting annual performance appraisals for each Director. At 30 June 2007, WestSide had been operating for just six months since its shares were listed on ASX, so no Directors were due for an annual appraisal in the financial year ended 30 June 2007. Appraisals will be performed in the 2007 / 2008 financial year.

Summaries of WestSide's Corporate Governance policies are set out on the Company's website at www.westsidecorporation.com.

glossary

Glossary

Term	Meaning
ASX	Australian Stock 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.
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 17 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'.
Cornerstone Investors	PT Bumi Resources TBK and Saad Investments Company Pty Ltd.
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.
Farm-in	The Company's right to obtain a 50% interest in the Farm-in Tenements from Sunshine Gas by completing an agreed program of work.
Farm-in Tenements	Queensland ATPs 769P, 688P, 811P and 693P.
Fault	A line of fracture and generally displacement of one section of the crust against another.
Gas In Place (or GIP)	The quantity of gas which is estimated to be contained in a known coal formation of 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).
IPO	Initial Public Offering made subject to a Prospectus dated 17 November 2006.
KPC	Kaltim Prima Coal – a company incorporated in Indonesia.
Listing	The official listing of the Company on ASX.
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).
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.
Sunshine Gas	Sunshine Gas Limited ACN 098 563 663, a company listed on ASX.
TCF (or Tcf)	Trillion cubic feet (10^{12} cubic feet).
Tenement	The area and location over which an ATP is granted.

corporate directory

Corporate Directory

WestSide Corporation Limited
ABN 74 117 145 516
ACN 117 145 516

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

Registered Office
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71 Eagle Street
Brisbane QLD 4000

Directors
Michael Cavell
Independent Non-executive Chairman

Stephen Cullum
Managing Director and Chief Executive Officer

Angus Karoll
Executive Director Strategy and Business Development

Ken Farrell
Non-executive Director

Anthony Gall
Independent Non-executive Director

Trent Karoll
Non-executive Director

Company Secretary
Damian Galvin

Auditors
PricewaterhouseCoopers
Riverside Centre
123 Eagle Street
Brisbane QLD 4000

Solicitors
Clayton Utz
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71 Eagle Street
Brisbane QLD 4000

Share Registry
Registries Limited
Level 2, 28 Margaret Street
Sydney NSW 2000
Phone: 02 9290 9600
Fax: 02 9729 0664

WestSide