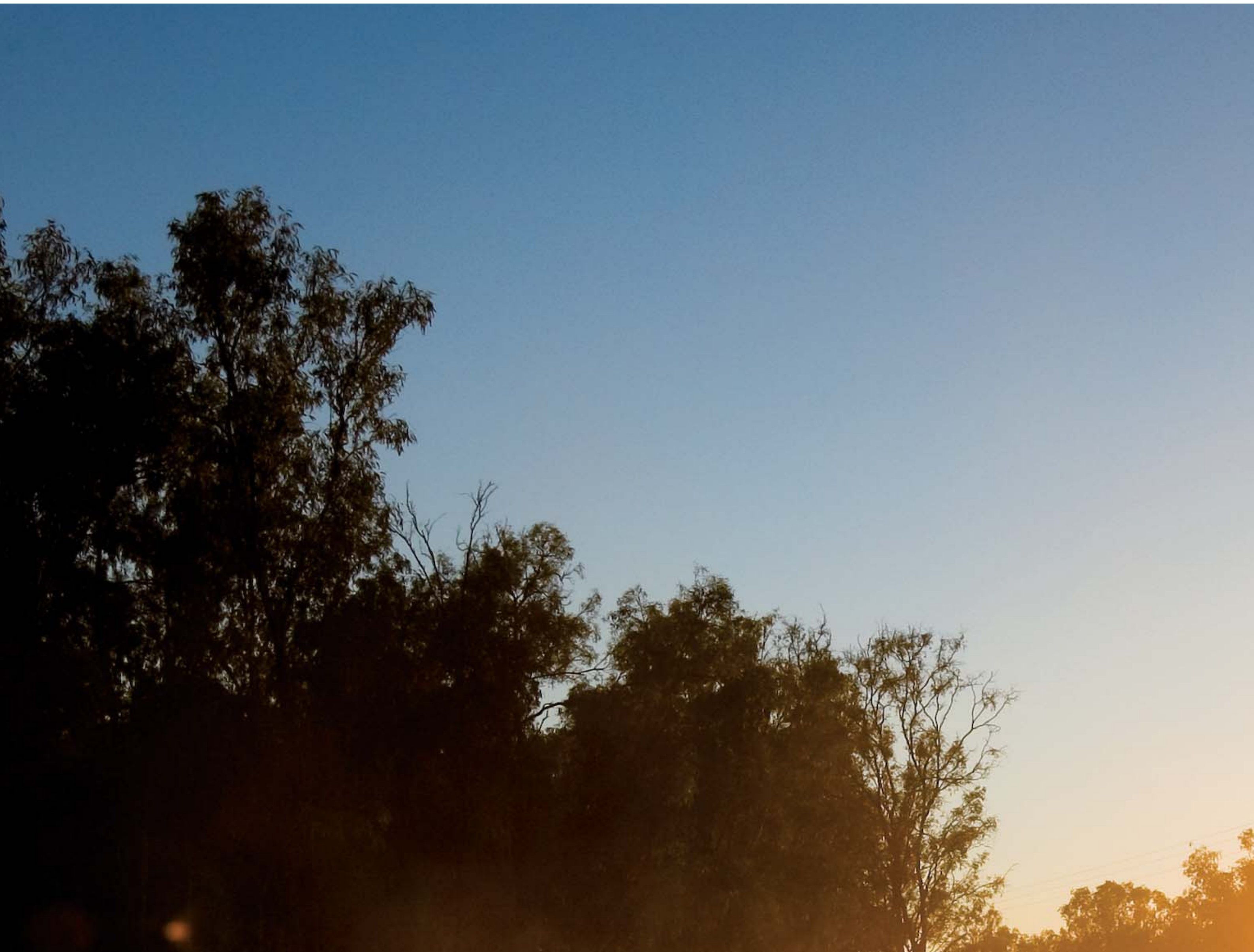
WESTSIDE CORPORATION LIMITED

ANNUAL REPORT 2007 – 2008

WestSide



Company Profile

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

The Company is well positioned to take advantage of the potential value of its resources from marketing opportunities to downstream industrial applications and access to Australia's domestic east coast gas market.

WestSide has interests in CSG projects in Queensland with an exploration and appraisal program currently underway at the Paranui and Tilbrook tenements in Queensland's Bowen Basin.

The Company is also assessing the CSG potential of several coal deposits in Indonesia through its relationship with PT Bumi Resources TBK, one of Indonesia's largest coal miners.

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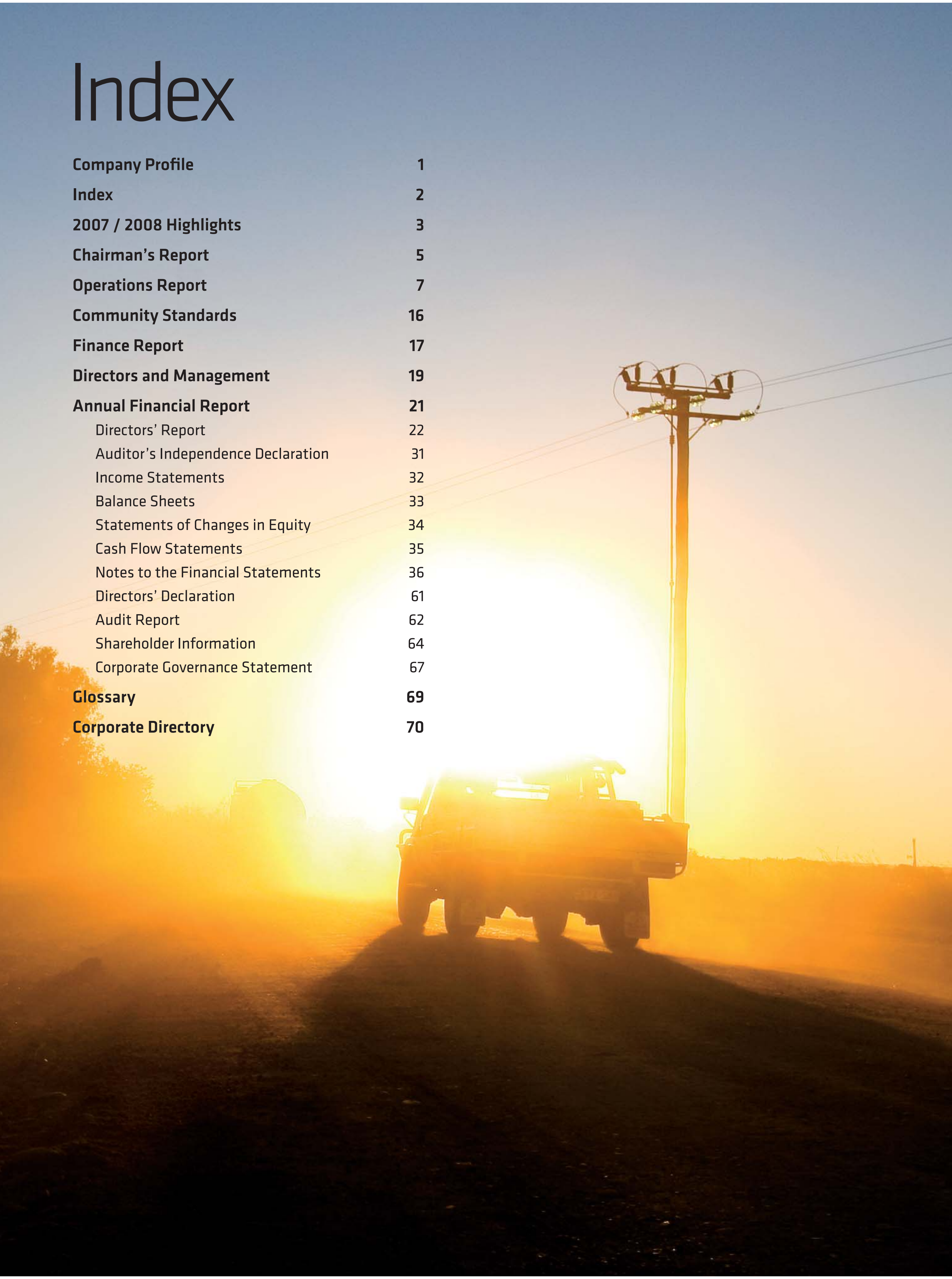


2007 / 2008 Highlights

Gas flare – Paranui #6R

2007 / 2008 Highlights

- Paranui pilot completed and operational
- Tilbrook pilot completed and operational
- Earning obligations satisfied at Paranui (ATP769P) and Tilbrook (ATP688P)
- Indonesian Project Definition Study commenced

2008 / 2009 Goals

- Certification of gas reserves in the Bowen Basin
- Expansion of CSG asset base
- Completion of the project definition study (PDS) at the Kaltim Prima Coal mine in Indonesia

Strength through locations and relationships

WestSide Corporation Ltd is an emerging ASX-listed CSG company intent on becoming a supplier of natural gas to meet growing market demand.

WestSide is currently working to prove-up CSG resources in Queensland's coal-rich Bowen Basin.

These tenements, especially Paranui, have the geographical advantage of being located adjacent to producing gas fields and pipelines and close to the burgeoning industrial cities of Townsville, Rockhampton and Gladstone.

Gladstone is a developing hub for CSG downstream processing opportunities, including proposed world-class LNG processing plants. WestSide has established a strategic relationship with respected listed energy company Sunshine Gas Limited.

While Sunshine's interests in WestSide's Australian tenements may ultimately reside with potential suitor, Queensland Gas Company (QGC), WestSide's gas resources have a potential market with LNG plants proposed by either Sunshine or QGC.

Additionally, WestSide has strategic relationships with two major investors in PT Bumi Resources TBK (Bumi) and SAAD Investments Company Ltd. Bumi is Indonesia's leading thermal coal producer and WestSide's active project partner in the region. SAAD's investment divisions operate internationally with long term holdings in a broadly conservative portfolio and have a solid understanding of the Australian CSG sector. Both companies supported WestSide's Initial Public Offering (IPO) and remain its largest shareholders.

“WestSide Corporation Ltd is an emerging ASX-listed CSG company intent on becoming a supplier of natural gas to meet growing market demand.”

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

WestSide and Bumi Resources have now established a jointly-owned company, PT Seamgas Indonesia, which is engaged in preparing a project definition study to identify CSG resources at the KPC mine site in Kalimantan. The area which is being considered is located just 50 kilometres from a major LNG production facility.

Map 1: WestSide's projects

Location

- Paranui (ATP 769P): Close to Gladstone and Rockhampton
- Tilbrook (ATP688P): Close to Townsville, adjacent to pipeline
- KPC Mines: 50km from the Bontang gas facilities

Chairman's Report

"Our achievements in Queensland and Indonesia have been possible due to the efforts of WestSide's small but dedicated team."

Angus Karoll – Chairman

WestSide Corporation Ltd's first full-year of operation was one of significant progress as we moved to establish the Company in the fast-developing Coal Seam Gas (CSG) industry.

Eastern Australia's CSG industry is growing at a startling rate with more than 12,400 petajoules of 2P CSG reserves identified in Queensland and New South Wales – a resource so large that it has now firmly emerged on the radar screens of global energy producers.

In the last year a race to establish Liquified Natural Gas (LNG) facilities in Gladstone has been led by international names such as BG, Petronas, Shell, Sojitz Corporation and more recently Conoco Phillips. The participation of these global players, coupled with significant increases in international energy prices, has impacted substantially on the Queensland gas market. Of particular note has been the substantial increase in implied valuations of CSG reserves, based on recent CSG transaction values.

WestSide is well-positioned to participate in the rapidly developing CSG market. Our Paranui field is only 150km from Gladstone - which is currently earmarked as the site for no fewer than five potential LNG export facilities. Whether all of these projects ultimately proceed as planned is open to speculation, but Gladstone is almost certainly poised to become one of Australia's major LNG export ports. The recent approval of the Central Queensland Gas Pipeline will also provide a potential path to this market for our Tilbrook gas.

The rapid transformation of the Queensland gas market has led to some refinements to our strategy. At the time WestSide listed on the ASX in early 2007, Queensland was a buyer's gas market with a plethora of gas developments coming on-stream and the prospect of low gas prices for the foreseeable future. Our focus was on proving gas supplies to underwrite the development of downstream processing facilities which would allow us to produce a globally-traded commodity such as ammonia.

The prospect of participation in global gas markets through LNG exports provides one of many alternative avenues to access returns. We are now considering all alternatives for maximising the value of our gas resources. This will include assessment of short, medium and long term supply contracts across all downstream opportunities. Our immediate priority will be to focus on balancing short term revenue opportunities with long term returns.

We are fortunate to have Sunshine Gas as our joint venture partner – their plans to develop one of the Gladstone LNG facilities (or alternatively the plans of their suitor - QGC) may provide WestSide with ready access to global gas markets.

The Federal government's emissions trading scheme will likely result in increased demand for gas fired power stations in the foreseeable future and we will be well placed to assess the market opportunity to supply gas to this sector.

We will continue to monitor the developments in the gas market as we work to prove up gas reserves in our most prospective areas. Already we have made the tough decision to exit from two of our exploration tenements where early work did not give us sufficient confidence to complete the earning program. We are also actively looking to expand our Queensland CSG acreage position in the coming year.

It has been a year of satisfying achievement in an environment where the level of activity has grown at such a pace that the industry's critical support services have struggled to keep up. Despite these frustrations, we have commissioned two CSG pilot operations in the Bowen Basin to complete our earning obligations in those areas. Production testing at the five-well Paranui pilot and four-well Tilbrook pilot is underway. This testing is expected to continue into 2009 and will be the basis for certifying reserves for these fields.

Our first international investment, with Indonesia's largest coal miner, PT Bumi Resources TBK has progressed steadily during the year. Core wells drilled for coal exploration purposes in areas within the Kaltim Prima Coal (KPC) mine sites in Eastern Kalimantan will provide critical data for the project definition study. The

mine site has a large database of over 12,000 bore holes, extensive seismic and aeromagnetic data and conventional oil and gas wells within the mine site's gazetted area. The data collection and analysis is being managed by PT Seamgas Indonesia, a newly-formed CSG operator, jointly owned by WestSide and Bumi.

Although the Indonesian tenure process continues to evolve slowly, the Indonesian projects at KPC and Arutmin promise to provide WestSide with access to one of Asia's fastest-growing markets. We will be working with Bumi to evaluate and confirm tenure to the potential resources accessible in that region.

Our achievements in Queensland and Indonesia have been possible due to the efforts of WestSide's small but dedicated team. The frustrations of wet weather and the shortage of suitable support services were overcome through sheer persistence and hard work.

I am enthusiastic about my appointment as Chairman of WestSide, a company destined to have an exciting future in the CSG sector.

We are thankful to our predecessors and hope to build on the platform they have created.

Your Board thanks you for your continuing support. We believe that our efforts in the past year leave WestSide well-placed to capitalise on the opportunities available in this dynamic industry.

Operations Report

Operations Review

WestSide is now entering its second full-year of operating two CSG pilot projects in Queensland's Bowen Basin. At the time of this report, five appraisal wells are undergoing production testing, monitored by four observation wells.

During the 13 months to July 2008 WestSide drilled a total of eight wells to complete the two CSG pilots. The drilling program was frustrated by the return of central Queensland's wet season after an absence of several years, while the frenetic activity in Queensland's CSG industry continued to present challenges in gaining access to suitable equipment and operators.

The pilot operations at Paranui and Tilbrook represent the first stage of proving reserves in these areas.

WestSide has now satisfied its obligations under the farm-in agreements for Paranui (ATP769P) and Tilbrook (ATP688P) and has thereby earned a 50 percent ownership interest in each of these tenements. WestSide's operations to date have addressed only a small proportion of the 12,000 km^2 covered by these tenements.

An extended fairway identified to the north of the Tilbrook pilot area has the potential to substantially increase the resource target area.

During the year, WestSide acquired 19km of seismic data in ATP693P. Analysis of this data and a comprehensive study of the results from previous wells drilled in this tenement and ATP811P, led WestSide to conclude that the two tenements did not satisfy WestSide's internal benchmarks for CSG prospectivity. As a result, WestSide elected not to proceed with the farm-in work programs and has relinquished its rights to the two tenements.

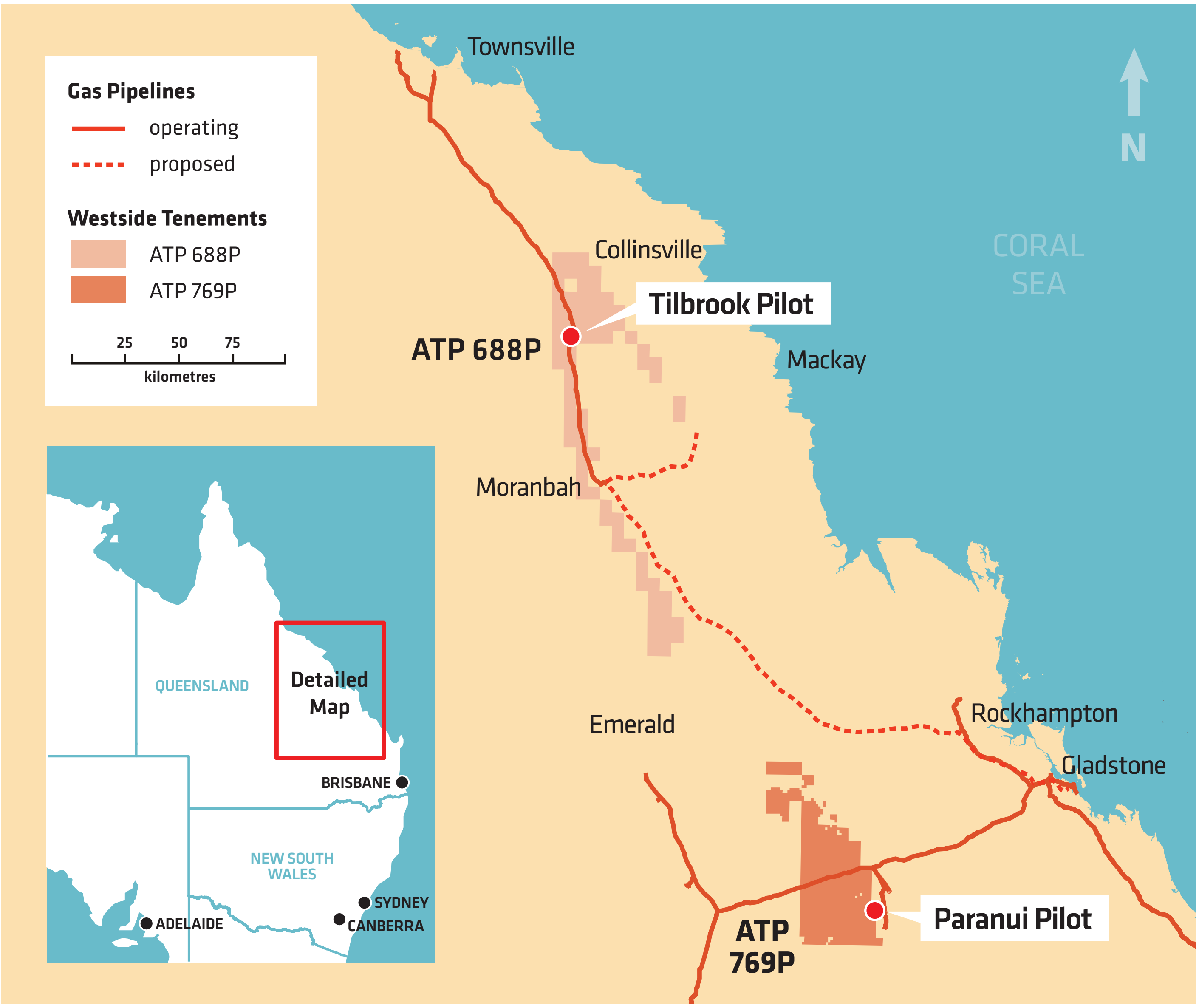
Wells drilled 2007 / 2008

	Appraisal wells	Observation wells
Paranui (ATP 769P)	3*	2
Tilbrook (ATP 688P)	2	1
Total	**5**	**3**

*Drilling of the Paranui #8 well was completed in July 2008

" WestSide's operations to date have addressed only a small proportion of the 12,000 km^2 covered by these tenements."

Map 2: Qld tenement locations



ATP 769P – Paranui

Location: Moura – Bowen Basin Queensland

WestSide Interest: 50%

The five-well Paranui CSG pilot is located 10km south of Moura and just 5km to the west of the producing Dawson Valley gas fields. In this part of the tenement the target Baralaba Coal Measures lie at a depth of between 550m and 950m and generally contain 21–25m of gas-bearing coal in up to 14 seams.

Current operations

The Paranui pilot currently consists of three appraisal wells and two observation wells (map 3). All five wells were drilled between June 2007 and July 2008, with the appraisal wells being brought on-line for production testing progressively from June 2008. Production testing is expected to continue into 2009 with reserves certification targeted for the first quarter of 2009. At the time of printing, the Paranui #6R well, the first well to be completed for testing, had produced at an aggregate gas flow of 127 mscfd* (thousand cubic feet per day).

2007 / 2008 operations

After the initial surface casing was set in four of the wells, drilling activities commenced at Paranui in July 2007. The Paranui #7 observation well was drilled, but drilling equipment failure prompted the Paranui #6 well to be plugged and abandoned. A replacement well, Paranui #6R, was drilled and the rig was released to the Tilbrook program where shallower depths were more suited to that drill rig's capability.

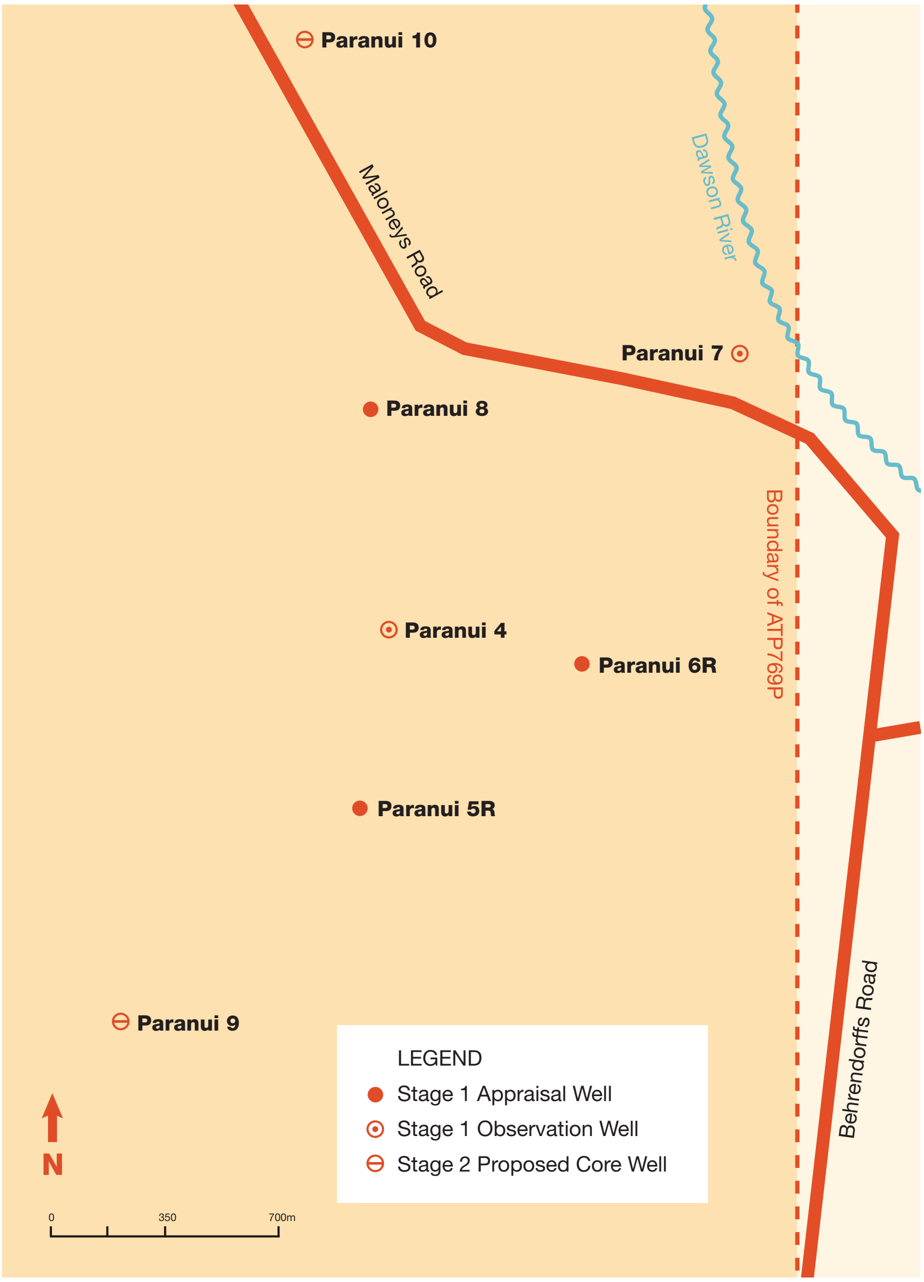
Monsoonal rain restricted access to the Paranui site for much of January and February 2008. After a search for a more capable rig, a new drilling contractor commenced drilling the Paranui #5R well in May 2008. This was promptly followed by the Paranui #4 well in June. With promising gas shows being experienced during drilling, an additional well, Paranui #8, was added to the program and drilling commenced in late June.

The Paranui #7 and #4 observation wells are being fitted with monitoring equipment to measure connectivity to the appraisal wells as production testing continues. The Paranui #4 well, located in the centre of the three appraisal wells, is being fitted with sensors in several coal seams to collect data from each seam. The Paranui #7 well has a single sensor to measure overall connectivity of the upper seams.

Two of the pilot wells, Paranui #5R and #6R, were subjected to multi-stage fracture-stimulation processes to enhance permeability. In contrast, the Paranui #8 well was completed with pre-slotted casing after all of the coal seams were under-reamed. Data from wells with contrasting completion designs will assist in identifying the most appropriate well design for future production wells at Paranui.

Pumping equipment was installed on the Paranui #6R well in May 2008, and

Map 3: Paranui field well locations



* Measured through a 5/32" choke.

the other two appraisal wells in early September. The Paranui #6R well has produced at up to 127 mscfd* to the time of writing, while the other two wells, having been pumping for less than one month, are still dewatering.

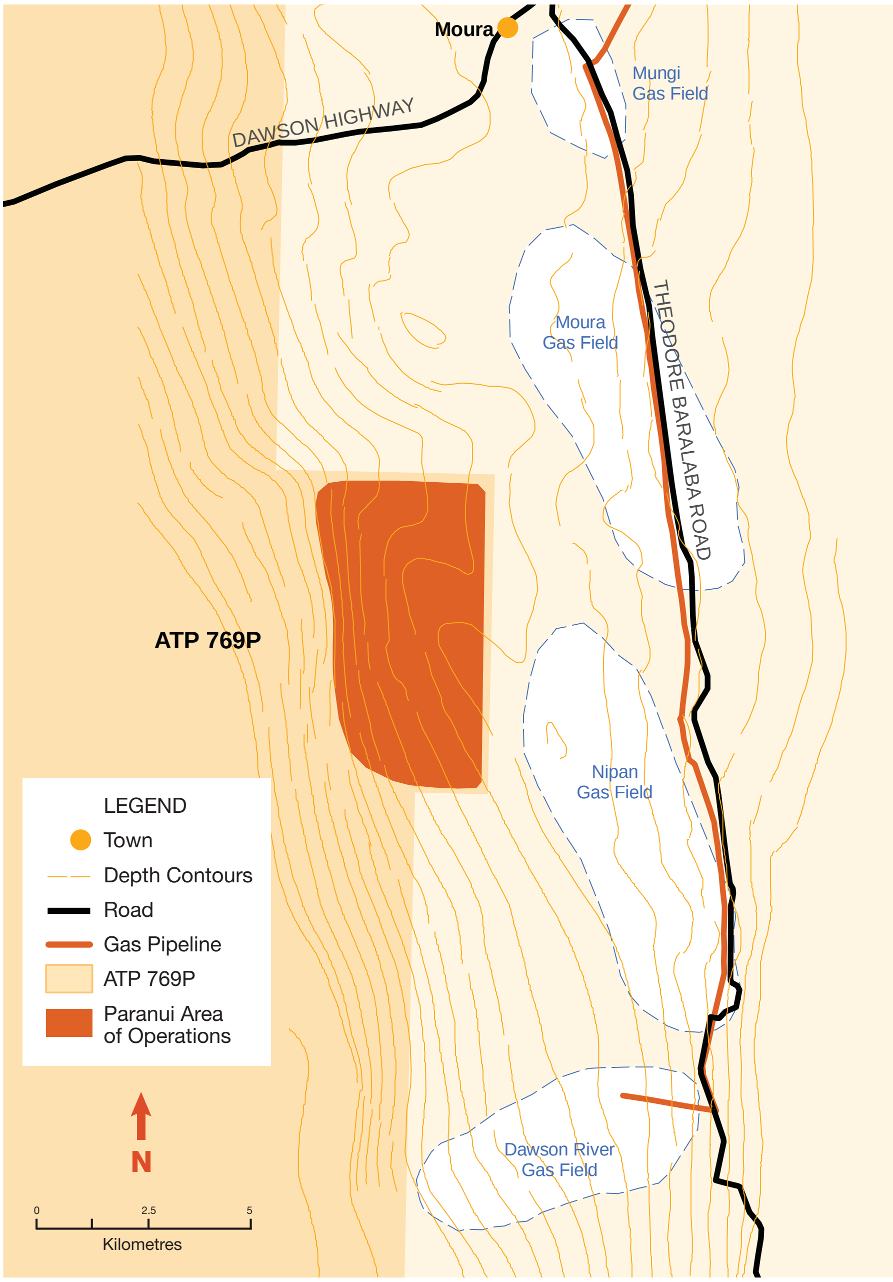
Future Paranui activity

Pilot production testing is expected to continue indefinitely with reserves certification targeted for the first quarter of 2009.

The pleasing nature of the results so far have prompted WestSide and Sunshine to consider drilling two core wells in late 2008 to provide gas saturation data and coal permeability information to the west and south of the existing pilot (refer to map 3).

Data collected from the appraisal, observation and core wells will be assessed to provide contingent resource estimates in early 2009 and will form the basis for a Petroleum Lease application and reserves certification in 2009.

Map 4: Paranui location



Paranui pilot wells status

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

* Measured through a 5/32" choke.

ATP 688P – Tilbrook

Location: Collinsville – Bowen Basin Queensland

WestSide Interest: 50%

The four-well Tilbrook CSG pilot is located 60km to the south of Collinsville, adjacent to the Moranbah-to-Townsville gas pipeline. The coal seams of the target Moranbah Coal Measures in this area lie at depths between 300m and 600m and contain between 7m and 15m of gas-bearing coal seams.

Current operations

The Tilbrook CSG pilot consists of two appraisal and two observation wells (refer to map 5).

Three of the wells were drilled in October 2007 by WestSide, while one of the observation wells (Tilbrook #4) was drilled by a previous operator and converted to an observation well by WestSide during the year.

Production testing re-started in June 2008. Consistent with expectations, gas has flowed at low rates after just three months of dewatering.

Map 5: Tilbrook field well locations

Tilbrook pilot wells status

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

2007 / 2008 operations

The three new Tilbrook pilot wells were drilled in October 2007. The two appraisal wells were under-reamed across five coal seams and completed with pre-slotted casing. Pumping equipment was installed in December 2007 and the Tilbrook #8 well was subjected to a short production test until monsoonal rains in January 2008 cut access roads.

Production testing resumed after access was re-established and repairs to down-hole sensors were completed in Tilbrook #7.

Future Tilbrook activity

Pilot production testing is expected to continue into 2009.

Data collected from the pilot will be assessed to provide resource estimates in 2009. Further Tilbrook operations will be planned after analysis of the results of the current pilot operations.

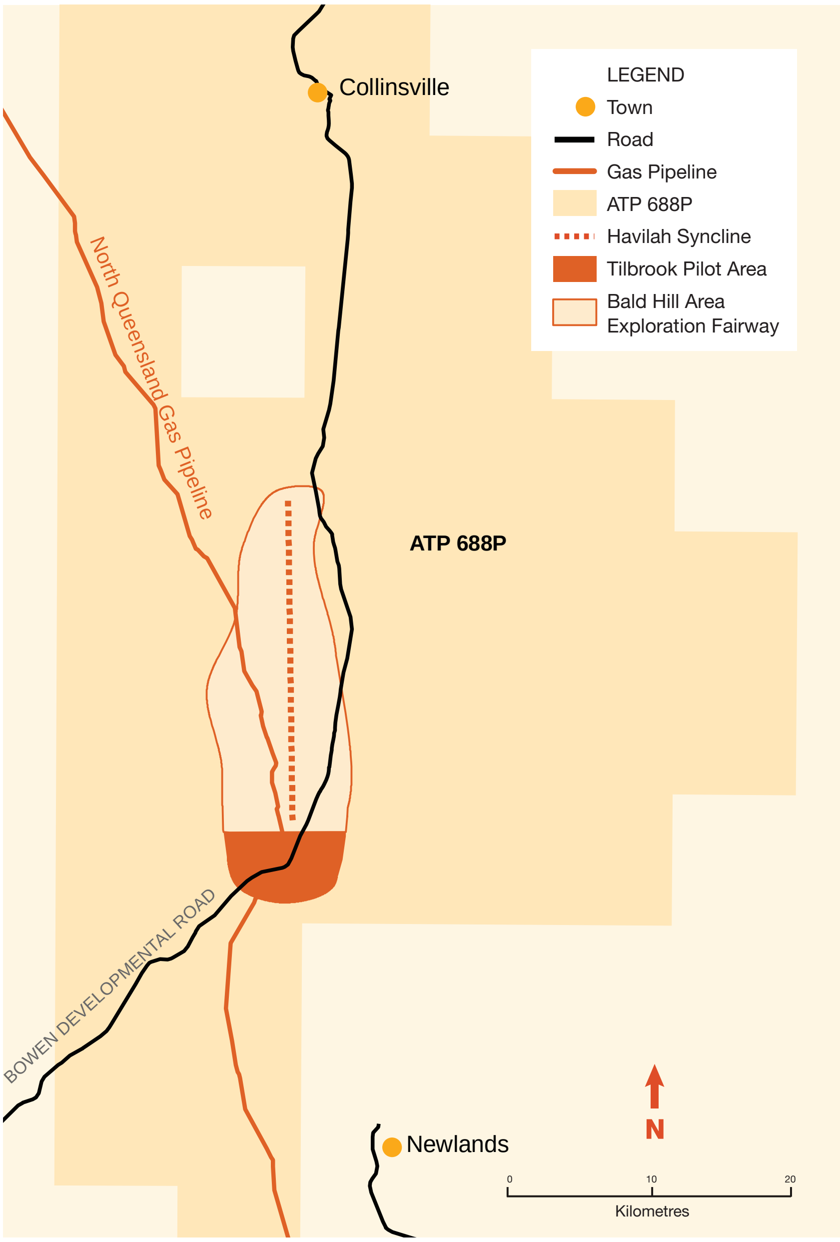
Future exploration – ATP688P

Coal miners are developing new mines nearby to extract coal from the same seams which WestSide is targeting in the northern part of ATP 688P. These coal measures are proven to have un-intruded coals that appear excellent for CSG production.

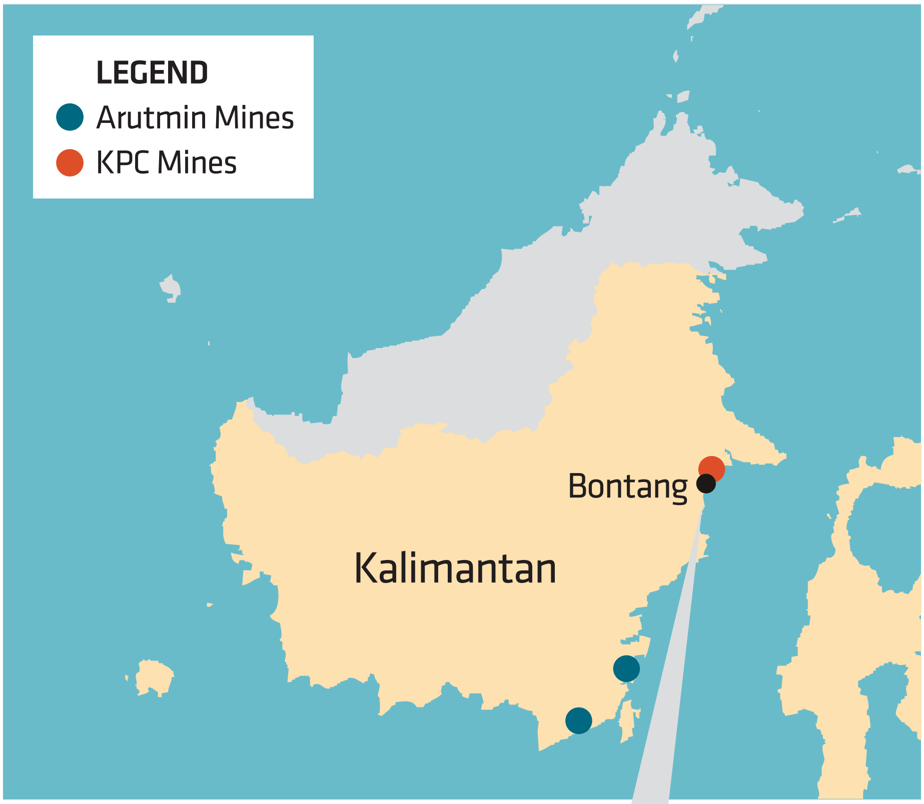
A large potential production fairway has been identified, extending 25 km north of the current Tilbrook wells (refer map 6).

Exploratory chip holes are planned within the Bald Hill fairway. If exploration proves to be successful, this area could make a substantial contribution to WestSide's gas resources. The 125 km^2 area could contain as much as 1,000 PJ of gas in place.

Map 6: ATP 688P location



Map 5: Indonesia areas of interest.



International

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

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

During the year, WestSide and Bumi established a jointly-owned company, PT Seamgas Indonesia (Seamgas). Seamgas is engaged in preparing a project definition study to identify possible CSG resources at the KPC mine site in Kalimantan.

Ultimately, WestSide expects to hold a substantial interest in both the KPC and Arutmin CSG operations, with each joint venturer contributing equally to exploration, development and production costs.

The joint venture's objective is to secure tenure over any CSG within Bumi's coal areas and to investigate regional opportunities to market gas, subject to finalisation of Indonesian legislation relevant to CSG production. Any early production could potentially be used internally within the mine operations.

Bontang facts

Location : 50km south of the Kaltim Prima Coal mines

Ammonia production plants : 5
Urea production plants : 4

Liquified Natural Gas (LNG) facilities :

- First production : 1977
- Production trains: 8
- LNG production capacity : 22.5 million tonnes per year
- Power requirement : 180 MW
- Daily production : 3,700 GJ per day
- Annual gas requirement : 1,400 PJ per year (approx)

The Indonesian authorities continue to work towards establishing the legislative framework for governing tenure over CSG resources in Indonesia. Although WestSide and Bumi's study to date has been focused on the areas covered by the respective Coal Contracts of Work, other potential areas have also been identified for possible exploration, subject to securing appropriate tenure to those areas.

Kaltim Prima Coal - Kalimantan

WestSide is currently working with KPC and US-based CSG consultants Advanced Resources International (ARI) to prepare a project definition study (PDS) to assess the CSG potential of selected areas of the 91,000 hectare KPC coal mining permit site in Kalimantan.

ARI has obtained seismic and drilling data from previous and ongoing mine site and petroleum exploration activity. Seamgas and KPC, in cooperation with ARI, are working to identify the CSG potential at the mine site.

An assessment of the CSG potential of the area addressed by this study is expected early in 2009.

Arutmin – Kalimantan

In September 2007, WestSide and Bumi expanded their joint areas in Indonesia to include the coal production permits of Bumi subsidiary Arutmin in South Kalimantan.

Arutmin operates four separate mine sites in South Kalimantan with a combined area of some 70,000 hectares. Subject to confirmation of tenure, the CSG resources of these areas will be appraised and developed on the same basis as the KPC permit area.

Looking Forward

WestSide's focus continues to be building a reserves base to bring to market. The current pilot programs in Queensland lie at the heart of this strategy, and the production testing will continue into 2009.

At Paranui, two core wells are planned for late 2008 with the aim of providing critical data to contribute to the certification of gas reserves at Paranui. WestSide is targeting applications for Petroleum Leases over the Paranui area in 2009 as a precursor to field development.

The operations to date address only a small portion of the overall prospective area within the Company's existing tenements. Work has already begun to examine the potential of some of these areas. Chip holes are planned for the Bald Hill prospect in ATP688P to the north of Tilbrook in 2009.

A production pilot is likely to be established if the data obtained is consistent with the geological assessment.

In Indonesia, WestSide and KPC will work on completing the PDS. The study will recommend an appropriate appraisal and development program, subject to confirmation of tenure. Work is also likely to commence on a similar study in the Arutmin mining areas.

" WestSide's focus continues to be building a reserves base to bring to market. The current pilot programs in Queensland lie at the heart of this strategy".

Community Standards

Building a sustainable business in petroleum exploration and production demands a proactive recognition of the breadth of stakeholder interests in the Company's operations. WestSide is committed to satisfying ever increasing corporate and community standards in this area. A key feature of WestSide's operational ethos is to engage with its stakeholders to optimise results for all parties.

Traditional owners

From the very beginning of its operations, WestSide has engaged the assistance of Aboriginal parties representing the traditional owners of the land on which it operates. Representatives of the Birri People and the East Comet / West Dawson People have conducted site clearances prior to and during earthworks at the Tilbrook and Paranui pilots respectively.

An extensive Cultural Heritage Management Plan will be developed during the Petroleum Lease application process planned for next year.

Landholders

The landholders in our operational areas typically have a long history of operations on their properties, sometimes spanning generations. Their agricultural operations range from grazing to intensive cropping.

WestSide's goal has been to work constructively and proactively with landholders to minimise the impact on their livelihood and lifestyle. For example, well sites are selected, to the extent possible, based on geological constraints, in consultation with the landowner. Access routes are also planned to minimise disruption to the local agricultural operations and, in many cases, improve the infrastructure available for use by the landowner.

WestSide continues to conduct its operations with a view to having a long and collaborative relationship with the landowners.

Health and Safety

WestSide operations are conducted to the underlying philosophy that all occupational injury and harm is avoidable. The Company's operational staff have exerted considerable effort during the year in implementing and enforcing site safety procedures for WestSide's staff and contractors. WestSide's safety and emergency management policies and plans meet regulatory and community standards and remain a key focus of our operations team.

Environment

Environmental Authorities have been granted by the Environmental Protection Agency to conduct activities at Tilbrook and Paranui. Operations are conducted in accordance with these authorities.

Early indications from production testing are that water production at both Paranui and Tilbrook will be at relatively low rates compared to those from well-publicised CSG operations in the Surat Basin. Water quality and composition is currently being tested, and in the meantime water produced is being stored in secure evaporation ponds at each site. There is currently ample water storage capacity for the production testing planned for the foreseeable future. WestSide will examine all options once water qualities become known.

Finance Report

WestSide's strong funding position has enabled it to proceed with its planned operations without significant impact from the recent volatility experienced by world financial markets.

During the year, WestSide invested some $8.6 million in exploration and appraisal activities in Queensland. The investment in wells and associated infrastructure aimed at proving gas reserves satisfied the earning obligations at Paranui and Tilbrook. With 50 percent interests confirmed in these tenements, future operations will be funded jointly by WestSide and Sunshine Gas.

The group recorded a net loss of $1.27 million for the year to 30 June 2008. This includes $1.04 million attributable to the write-down of costs following the decision to relinquish the Company's interests in ATP693P and ATP811P and a $0.5 million one-off expense associated with payment of termination benefits. Revenues benefited from an increase in interest rates with interest revenue of $1.4 million booked during the year.

The prospect of significant improvements in gas prices is sure to improve the potential value of WestSide's gas resources. However, controlling operational costs remains one of the industry's major challenges. Record global petroleum and resources prices have resulted in extraordinary demand for equipment, services and people critical to exploration and appraisal. The proposed construction of LNG export facilities in Queensland will require the drilling of hundreds more production wells, placing further pressure on the industry's suppliers. WestSide is actively assessing a number of initiatives to counter these supply pressures.

WestSide's direct investment in its Indonesian operations was limited to US$125,000 in start-up equity in the jointly-owned company, PT Seamgas Indonesia, with ongoing expenditure to be jointly funded with our joint venturer, PT Bumi Resources.

“ The cost of the planned activities is adequately covered by the $16.1 million of funds on hand at 30 June 2008 leaving WestSide well funded to pursue its objectives.”

Financial outlook

Prudent stewardship of the Company's capital remains a management priority as WestSide enters its second year of operations. Already management has taken the tough decision to relinquish interests in two exploration areas which did not meet WestSide's commercial benchmarks. Overheads will be kept to a minimum as the Company applies its cash resources to value-adding exploration and appraisal activities.

Operational activity in Queensland is expected to focus on gathering the data required to certify gas reserves/resources for marketing to potential customers.

Additional funds have been earmarked for Indonesian operations in the 2008/2009 year, although the actual investment will be determined by the results of the PDS at KPC and confirmation of tenure over the CSG resources across the region.

Significantly, the cost of the planned activities is adequately covered by the $16.1 million of funds on hand at 30 June 2008 leaving WestSide well funded to pursue its objectives in the foreseeable future.

Chart 2: Applications of funds to 30 June 2008 ($million)

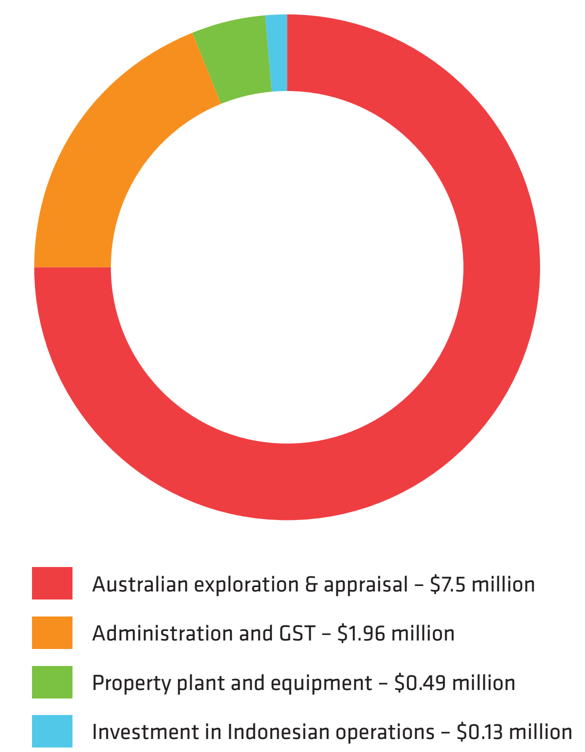
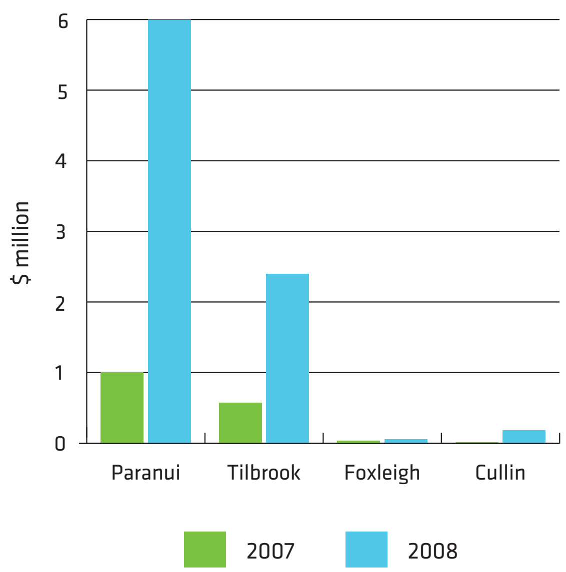


Chart 3: Exploration and appraisal expenditure



Directors and Management

Angus Karoll
Chairman and Acting CEO

Director since November 2005

Angus is the founding Director of WestSide Corporation Ltd and has been instrumental in establishing the Company, including forming strategic relationships with investors and joint venture partners and in establishing WestSide's subsidiary company, PT Seamgas Indonesia.

Angus was the key driver and initiator of the development of a world-scale downstream processing facility for ammonia and urea in Asia and enlisted influential Australian and international parties into a consortium to develop the project.

Angus is the President Director and controlling shareholder of PT WestSide Agritama, a major provider of logistics and transport services in Indonesia. He originally established this company in 1997 as a joint venture with JR Simplot International, one of the United States' largest private agricultural enterprises.

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, he served with BHP Billiton for 21 years in various executive and management roles in mining and energy.

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 Audit and Corporate Advisory area in which he specialised at Price Waterhouse. Tony is Chairman of the Audit and Compliance Committee.

Trent Karoll – Director

B Ec, FAICD

Director since August 2006

Until recently, Trent was 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.

Damian Galvin – Chief Financial Officer and Company Secretary

BBus (Accounting), CA

Joined WestSide in 2006

Damian is a Chartered Accountant with 17 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 financial and commercial experience with Premier Oil Plc and Price Waterhouse.

Annual Financial Report

for the year ended 30 June 2008
WestSide Corporation Limited
ABN 74 117 145 516

Directors' Report

30 June 2008
WestSide Corporation Limited

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 2008.

Directors

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

Director	Period as Director	Ordinary Shares	March 2009 Options	Incentive Options
A Karoll (Chairman)	Whole financial year	13,290,000	6,645,000	310,000
K Farrell	Whole financial year	400,000	200,000	–
A Gall	Whole financial year	200,000	100,000	300,000
T Karoll	Whole financial year	200,000	100,000	200,000

Mr S Cullum was a Director from the beginning of the financial year up until his resignation on 8 February 2008. Mr M Cavell was a Director from the beginning of the financial year up until his resignation on 3 September 2008.

The qualifications, experience and special responsibilities of the Directors and Company Secretary are shown on pages 19 to 20 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 2008.

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 (2007: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 3-18 of this Annual Report.

The operating loss after income tax for the Group amounted to $1,273,886 (2007: $333,439).

Significant changes in the state of affairs

Exploration and appraisal activities continued in the Bowen Basin tenements and the Group commenced operations in Indonesia through a joint venture with Indonesia's largest coal miner.

Matters subsequent to the end of the financial year

Exit from exploration tenements

In July 2008, the Company announced that it would not be completing its farm-in into two exploration tenements in the Bowen Basin (ATP693P and ATP811P). Carrying values related to these areas were written-down in full in the financial year ended 30 June 2008.

Issue of options

On 25 August 2008 the Company issued 422,000 Incentive Options to staff pursuant to the WestSide Director and Employee Incentive Option Plan. The Incentive Options will be exercisable between 1 July 2011 and 30 June 2013 at an exercise price of 63.8 cents per share, being the weighted average price of the Company's shares for 10 days prior to 30 June 2008.

Expiry of options

On 28 August 2008 the Company cancelled 147,000 Incentive Options which had expired following the resignation of an employee.

No other matter or circumstance has arisen since 30 June 2008 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 15.

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 2008. No Government agency has notified the Company of any environmental breaches during the period ended 30 June 2008.

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 2008, and the numbers of meetings attended by each Director were:

Director	Board meetings		Audit and Compliance Committee meetings	
	A	**H**	**A**	**H**
M Cavell	5	6	1	2
S Cullum	3	4	*	*
K Farrell	6	6	*	*
A Gall	6	6	2	2
A Karoll	6	6	*	*
T Karoll	5	6	2	2

A Attended

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

* Not a member of the relevant Committee

Retirement, election and continuation in office of Directors

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

The information provided in this Remuneration Report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

A Principles used to determine the nature and amount of remuneration

The Board is responsible for setting a remuneration policy which enables the Group to attract and retain valued employees; motivate senior executives and executive Directors to pursue long term growth; demonstrate a clear relationship between performance and remuneration; and has regard to prevailing market conditions.

The Board, within the maximum amount approved by the shareholders from time to time, determines remuneration of Non-executive Directors with advice from independent experts where required.

Remuneration and other terms of employment for the Chief Executive Officer and certain other senior executives are formalised in employment contracts. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Company's operations. The remuneration packages can include various components: fixed remuneration; short term incentives (cash bonus linked to key performance indicators or company performance generally); 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. A component of the short term incentive may be linked more generally to the Company's performance during the period to provide further alignment between an executive's performance and the overall goals of the Company.

Long term incentives take the form of Incentive Options through the WestSide Director and Employee Incentive Option Plan. Senior employees may be 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 (up to three years in the case of Incentive Options issued during 2007 and 2008) 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.

An annual allocation may 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 the year ended 30 June 2008 resulted in a number of significant milestones being reached, including the drilling of a number of exploration and appraisal wells leading to satisfaction of earning obligations in two exploration tenements and establishment of Indonesian operations. In the 18 months since the Company first listed on ASX shareholder wealth has increased, with the Company's share price increasing by 34% from 50 cents at the time of the Initial Public Offering to 67 cents at 30 June 2008, without taking into account the additional value (20 cents at 30 June 2008) of free share options issued to subscribers to the IPO. During the year ended 30 June 2008, the Company's share price declined from 87 cents to 67 cents.

Despite achieving a number of significant objectives during the year, the disappointing delays in completing the drilling and appraisal program resulted in no short term incentive applicable to overall company performance for the year (representing 50% of maximum short term incentives) being awarded. The only short term incentives available therefore were those relating to achievement of personal KPIs representing a maximum of 50% of total short term incentive entitlements.

B Summary of remuneration

Amounts of remuneration

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

Amounts disclosed for remuneration of Directors and other key management personnel exclude insurance premiums of $38,932 (2007: $44,039) paid by the Group in respect of Directors' and Officers' Liability Insurance contracts and $Nil (2007: $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.

Non-executive Director Remuneration

Details of the remuneration of each Non-executive Director of the Company and Group are set out in the following table. Payment of remuneration for the year to 30 June 2007 only commenced in August 2006 when the Company began actively preparing to raise funds.

2008	Short-term employee benefits	Post-employment benefits	Share-based payments	
Name	Cash salary / fees $	Superannuation $	Options[1] $	Total $
K Farrell[2]	30,000	–	–	30,000
A Gall	27,523	2,477	20,556	50,556
T Karoll	27,523	2,477	16,943	46,943
Total 2008	**85,046**	**4,954**	**37,499**	**127,499**

(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.

2007		Short-term employee benefits	Post-employment benefits	Share-based payments	
Name	Remuneration commenced	Cash salary / fees $	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**

(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.

Remuneration of other key management personnel

Details of the remuneration of each of the Company's and Group's key management personnel, excluding Non-executive Directors whose remuneration is disclosed above, for the year ended 30 June 2008 are set out in the following table. This includes all of the executives of the Company and Group.

2008		Short-term employee benefits		Post-employment benefits		Share-based payments	
Name	Remuneration period	Cash salary / fees $	Cash bonus $	Superannuation $	Termination benefits $	Options[1] $	Total $
Executive Directors							
M Cavell	Full year [2]	168,582	–	15,172	–	24,967	208,721
S Cullum	To 8 Feb 2008	194,143	–	15,704	525,000	(23,242)	711,605
A Karoll	Full year [3]	133,848	–	–	–	21,409	155,257
Other key management personnel							
L Brown	Full year	175,000	–	15,750	–	–	190,750
D Galvin	Full year	167,679	12,893	19,692	–	33,852	234,116
G Hogarth[4]	From 13 Feb 2008	140,000	–	–	–	–	140,000
Total 2008		**979,252**	**12,893**	**66,318**	**525,000**	**56,986**	**1,640,449**

(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) M Cavell, the Company's Chairman during the financial year, acted in an executive role following the resignation of the Company's Chief Executive Officer on 8 February 2008. Mr Cavell's cash salary includes $55,046 of Directors' fees in respect of his position as Chairman, and $113,536 in respect of his executive role.
(3) Mr A Karoll's executive role ceased on 31 May 2008. Mr Karoll's cash salary includes $113,848 of fees paid in respect of his executive role and $20,000 of Director's fees paid since 1 November 2007.
(4) Mr Hogarth's remuneration is paid by way of consultancy fees to Hogarth Project Management Services Pty Ltd (HPMS), a company controlled by Mr Hogarth. At 30 June, $41,324 (2007: nil) was owing to HPMS.

2007		Short-term employee benefits		Post-employment benefits	Share-based payments	
Name	Remuneration commenced	Cash salary / fees $	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**

(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

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 compulsory superannuation where applicable. There are no termination payments applicable.

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

Other key management personnel

Remuneration and other terms of employment for the 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.

M Cavell, Chairman and Acting Chief Executive Officer

- Commenced as Acting Chief Executive Officer on 8 February 2008 for an initial three month period, or up to the date of the appointment of a permanent Chief Executive Officer (whichever occurs first). The term was renewed for a further three months to 8 August 2008, and then for another one month to 8 September 2008. Resigned 3 September 2008.
- Base remuneration of $30,000 per month for three days service per week in addition to standard Chairman's fees of $60,000 pa, inclusive of superannuation.

S Cullum, Former Chief Executive Officer

- Fixed term of three years commencing 18 July 2006. Ceased 8 February 2008.
- Base remuneration package for 2007 / 2008 of $315,664 per annum including superannuation, reviewed annually.
- Mr Cullum was paid a termination settlement of $525,000 upon cessation of duties on 8 February 2008.
- No short term bonus was paid in respect of the 2007 / 2008 year.
- 395,000 Incentive Options, including 95,000 Incentive Options issued in November 2007 were forfeited and cancelled. 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; revised as at 1 November 2007 for a further one year term. Ceased executive role 31 May 2008.
- Remuneration package of $1,025 per day, capped at $201,717 per year to 31 October 2007. From 1 November 2007 to 31 May 2008, remuneration was set at $7,500 per month for an average of five days service per month, with excess days to be paid at $1,250 per day in addition to standard Non-executive Directors' fees of $30,000 pa.
- 10,000 Incentive Options were granted in November 2007 in respect of service in the year ended 30 June 2007. Further details of Incentive Options granted are set out in section D of this report (Share-based compensation).

L Brown, Operations Manager

- From 13 June 2007, no fixed term. Resigned 4 August 2008.
- 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 and general company performance by 30 June 2008. No bonus was awarded in respect of these targets.
- 190,000 Incentive Options were granted in July 2007. Further details of Incentive Options granted are set out in section D of this report (Share-based compensation).

D Galvin, Chief Financial Officer and Company Secretary

- Fixed term of three years commencing 2 October 2006.
- Base remuneration package, inclusive of superannuation of $187,371 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 and general company performance by 30 June 2008. 50% of these targets were achieved, resulting in payment of a bonus of $12,893 on 15 July 2008.
- Grant of 45,000 Incentive Options in July 2007 in respect of service to 30 June 2007. Further details of Incentive Options granted are set out in section D of this report (Share-based compensation).

G Hogarth, Chief Operating Officer

- No fixed term commencing 13 February 2008.
- Fees paid to Hogarth Project Management Services Pty Ltd at a daily rate of $3,500 per day, escalated at 5% pa annually on 1 October.

D Share based compensation

Options

The amounts disclosed for remuneration relating to options in the tables in section B (Summary of Remuneration) of this report are the assessed fair value at grant date of the Incentive Options granted to Directors and specified executives, allocated equally over the period of service to which the grant relates up to the actual or expected vesting date. The fair value of options are determined using a Black-Scholes–Merton option pricing model that takes into account the exercise price, expected term of the options, the share price at grant date, expected price volatility of the underlying share and the risk-free interest rate for the expected term of the option.

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 their vesting date, and must be exercised before their expiry date. All Incentive Options lapse 90 days after an employee/contractor ceases to be engaged by the Company. If, during the life of the Incentive Options, the Company makes a bonus issue to its shareholders, the option holder will be entitled, upon later exercise of that option, to receive additional shares as if the option holder had exercised the option prior to the record date for the bonus issue. The rights of option holders will also be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital. The Board retains the discretion to waive exercise conditions including where there is a change of control of the Company.

The terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

Grant date	Expiry date	Exercise price	Value per option at grant date	Date exercisable (Vesting date)
16 November 2006	10 January 2013	$0.50	$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
26 July 2007	30 June 2012	$0.91	$0.372	After 1 July 2010
14 November 2007	30 June 2012	$0.91	$0.2015	After 1 July 2010
24 July 2008*	30 June 2013	$0.638	$0.313	After 1 July 2011

* These options were subsequently issued on 25 August 2008.

The fair value of options granted are determined using a Black-Scholes-Merton option pricing model that takes into account the following variables:

- grant date
- share price at grant date
- exercise price
- term of the option - the estimated exercise date part way through the vesting period
- expiry date
- expected share price volatility
- expected dividend yield
- risk-free interest rate: the five year Australian Government Bond Rate as applicable at individual grant dates

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

Details of options over ordinary shares of the Company provided as remuneration to each Director of WestSide Corporation Limited and each of the other key management personnel of the Parent Entity and Group are set out below. When exercisable, each option is convertible into one ordinary share of WestSide Corporation Limited. 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	**2008**	2007
Directors of WestSide Corporation Limited		
M Cavell	**–**	300,000
S Cullum	**95,000**	300,000
A Gall	**–**	300,000
A Karoll	**10,000**	300,000
T Karoll	**–**	200,000
Other key management personnel of the Group		
L Brown	**190,000**	–
D Galvin	**45,000**	300,000

E Additional information

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 %**	**Proportion of remuneration consisting of options(3) %**	**Year granted (year ending 30 June)**	**Forfeited(5) %**	**Year in which options may vest (Year ending 30 June)**	**Maximum total value yet to vest(2) $**	**Value of options at grant date(4) $**
Directors of WestSide Corporation Ltd								
M Cavell	–	–	12	2007	–	2010 (6)	38,132	85,200
S Cullum	–	100	(3)	2008	100	–	–	19,143
				2007	100	–	–	85,200
A Gall	–	–	41	2007	–	2010	31,395	85,200
A Karoll	–	–	14	2008	–	2011	1,162	2,015
				2007	–	2010	31,395	85,200
T Karoll	–	–	36	2007	–	2010	25,877	56,800
Other key management personnel								
L Brown	–	100	–	2008	–	2011 (6)	70,680	70,680
D Galvin	50	50	14	2008	–	2011	8,939	16,740
				2007	–	2010	39,788	85,200

(1) 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 2008.

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

(5) The value of S Cullum's options that lapsed during the year because a vesting condition was not satisfied was $100,220. The value is determined at the time of lapsing, but assuming the condition was satisfied.

(6) L Brown and M Cavell have resigned from their positions after 30 June 2008. Their Incentive Options will expire within 90 days of cessation of employment. There are some circumstances in which the Incentive Options could be exercised within this period – for example, at the Board's discretion in the case of a change of control of the Company.

Changes in key management personnel since 30 June 2008

In the period from 30 June 2008 to the date of this report, the following changes in key management personnel took place:

- Mr L Brown, Operations Manager resigned as at 4 August 2008.
- Mr M Cavell, Chairman and Acting Chief Executive Officer resigned on 3 September 2008.

Shares under option

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

Date options issued	Vesting date	Expiry date	Issue price of shares	Number under option	Note
16 November 2006	n/a	31 March 2009	$0.50	7,000,000	(i)
19 December 2006	n/a	31 March 2009	$0.50	10,200,000	(i)
28 December 2006	n/a	31 March 2009	$0.50	10,200,000	(i)
4 January 2007	n/a	31 March 2009	$0.50	9,131,000	(i)
16 November 2006	10 January 2010	10 January 2013	$0.50	1,400,000	(ii)
10 May 2007	10 January 2010	10 January 2013	$0.50	140,000	(ii)
28 August 2007	1 July 2010	30 June 2012	$0.91	322,000	(ii)
14 November 2007	1 July 2010	30 June 2012	$0.638	10,000	(ii)
25 August 2008	1 July 2011	30 June 2013	$0.638	122,000	(ii)
25 August 2008	1 July 2011	30 June 2013	$0.638	300,000	(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 their vesting date, and must be exercised before their expiry date. All Incentive Options lapse 90 days after an employee/contractor ceases to be engaged by the Company. If, during the life of the Incentive Options, the Company makes a bonus issue to its shareholders, the option holder will be entitled, upon later exercise of that option, to receive additional shares as if the option holder had exercised the option prior to the record date for the bonus issue. The rights of option holders will also be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital. The Board retains the discretion to waive exercise conditions including where there is a change of control of the Company.

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

Insurance of officers

Insurance and indemnity arrangements are in place for officers of the Company. The Company paid an insurance premium of $38,932 (2007: $44,039) in respect of Directors and Officers Liability Insurance and $Nil (2007: $116,061) 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.

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 31.

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

	Consolidated 2008 $	Consolidated 2007 $
Taxation services		
Taxation return preparation	**9,000**	–
International taxation advice	**–**	31,000
Farmin agreement advice	**–**	18,000
Advice on equity incentive plans	**–**	7,500
GST advice	**–**	500
Total remuneration for taxation services	**9,000**	**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	**9,000**	**118,669**

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the ''rounding off'' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

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

Angus Karoll
Director

Brisbane, 30 September 2008

Auditor's Independence Declaration

30 June 2008
WestSide Corporation Limited

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
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Auditor's Independence Declaration

As lead auditor for the audit of WestSide Corporation Limited for the year ended 30 June 2008, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of WestSide Corporation Limited and the entities it controlled during the period.

Brett Delaney
Partner

PricewaterhouseCoopers

Brisbane, 30 September 2008

Liability limited by a scheme approved under Professional Standards Legislation

Income Statements

For the year ended 30 June 2008

WestSide Corporation Limited

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent entity 2008 $'000	Parent entity 2007 $'000
Revenue from continuing operations	3	**1,480**	866	**1,480**	866
Other income	4	**–**	3	**–**	3
Total income		**1,480**	869	**1,480**	869
Other expenses:	5				
Employment		**(873)**	(513)	**(873)**	(513)
Directors' fees		**(152)**	(109)	**(150)**	(109)
Accounting and compliance		**(147)**	(129)	**(142)**	(129)
Occupancy		**(63)**	(45)	**(62)**	(45)
Travel		**(59)**	(6)	**(59)**	(6)
Investor relations		**(54)**	(75)	**(54)**	(75)
Legal		**(49)**	(242)	**(49)**	(242)
Insurance		**(44)**	(29)	**(44)**	(29)
Depreciation		**(12)**	(3)	**(12)**	(3)
Communications		**(11)**	(10)	**(11)**	(10)
Business development		**(10)**	(31)	**(10)**	(31)
Information systems		**(10)**	(4)	**(10)**	(4)
Other		**(9)**	(6)	**(9)**	(6)
Finance costs		**(4)**	–	**–**	–
Net foreign exchange losses		**(82)**	–	**(82)**	–
Share of net losses of joint venture entity		**(135)**	–	**–**	–
Impairment of exploration and evaluation costs		**(1,040)**	–	**–**	–
Impairment of investments in subsidiaries		**–**	–	**(1,040)**	–
Total other expenses		**(2,754)**	(1,202)	**(2,607)**	(1,202)
Loss before income tax		**(1,274)**	(333)	**(1,127)**	(333)
Income tax expense	6	**–**	–	**–**	–
Loss attributable to members of WestSide Corporation Limited		**(1,274)**	**(333)**	**(1,127)**	**(333)**

		2008 Cents	2007 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	**(1.72)**	(0.8)
Earnings / (loss) per share for profit attributable to the ordinary equity holders of the Company:			
Basic and diluted earnings per share	23	**(1.72)**	(0.8)

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

Balance Sheets

As at 30 June 2008

WestSide Corporation Limited

		Consolidated		Parent entity	
		2008	2007	**2008**	2007
	Notes	**$'000**	$'000	**$'000**	$'000
ASSETS					
Current assets					
Cash and cash equivalents	7	**16,144**	24,722	**16,144**	24,722
Trade and other receivables	8	**1,749**	473	**1,749**	473
Inventories	9	**467**	289	**467**	289
Total current assets		**18,360**	25,484	**18,360**	25,484
Non-current assets					
Other financial assets	10	**–**	–	**10,749**	2,990
Property, plant and equipment	11	**480**	39	**480**	39
Intangible assets – exploration and evaluation costs	12	**11,020**	3,005	**–**	–
Total non-current assets		**11,500**	3,044	**11,229**	3,029
Total assets		**29,860**	28,528	**29,589**	28,513
LIABILITIES					
Current liabilities					
Trade and other payables	13	**2,639**	634	**2,639**	634
Total current liabilities		**2,639**	634	**2,639**	634
Non-current liabilities					
Provisions	14	**418**	15	**–**	–
Total non-current liabilities		**418**	15	**–**	–
Total liabilities		**3,057**	649	**2,639**	634
Net assets		**26,803**	27,879	**26,950**	27,879
EQUITY					
Contributed equity	15	**28,144**	28,144	**28,144**	28,144
Reserves	16(a)	**266**	68	**266**	68
Accumulated losses	16(b)	**(1,607)**	(333)	**(1,460)**	(333)
Total equity		**26,803**	27,879	**26,950**	27,879

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

Statements of Changes in Equity

For the year ended 30 June 2008

WestSide Corporation Limited

	Notes	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent entity 2008 $'000	Parent entity 2007 $'000
Total equity at the beginning of the financial year		**27,879**	–	**27,879**	–
Changes in the fair value of cash flow hedges, net of tax	16(a)	**82**	(82)	**82**	(82)
Net gain / (loss) recognised directly in equity		**82**	(82)	**82**	(82)
Loss for the year		**(1,274)**	(333)	**(1,127)**	(333)
Total recognised income and (expense) for the year		**(1,192)**	(415)	**(1,045)**	(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)	**116**	150	**116**	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
		116	28,294	**116**	28,294
Total equity at the end of the financial year		**26,803**	27,879	**26,950**	27,879
Total recognised income and expense for the year is attributable to:					
Members of WestSide Corporation Limited		**(1,192)**	(415)	**(1,045)**	(415)
Minority interest		**–**	–	**–**	–
		(1,192)	(415)	**(1,045)**	(415)

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

Cash Flow Statements

For the year ended 30 June 2008

WestSide Corporation Limited

		Consolidated		Parent entity	
		2008	2007	**2008**	2007
	Notes	**$'000**	$'000	**$'000**	$'000
Cash flows from operating activities					
Receipts of refunds of goods and services tax		**790**	195	**790**	195
Payments to suppliers and employees (inclusive of goods and services tax)		**(2,716)**	(1,061)	**(2,708)**	(1,061)
Interest received		**1,609**	508	**1,609**	508
Net cash outflow from operating activities	7(a)	**(317)**	(358)	**(309)**	(358)
Cash flows from investing activities					
Payments for exploration and evaluation		**(7,514)**	(1,435)	**–**	–
Payments for acquisition of interests in exploration tenements		**–**	(1,000)	**–**	–
Payments for property, plant and equipment		**(492)**	(43)	**(492)**	(43)
Investment in joint venture entities		**(135)**	–	**–**	–
Investments in subsidiaries		**–**	–	**(7,657)**	(2,435)
Net cash outflow from investing activities		**(8,141)**	(2,478)	**(8,149)**	(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 (decrease) / increase in cash and cash equivalents		**(8,458)**	24,810	**(8,458)**	24,810
Cash and cash equivalents at the beginning of the financial year		**24,722**	–	**24,722**	–
Effects of exchange rate changes on cash and cash equivalents		**(120)**	(88)	**(120)**	(88)
Cash and cash equivalents at end of year	7	**16,144**	24,722	**16,144**	24,722

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

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

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 3 to 18 and in the Directors' Report on pages 22–30, 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 30 September 2008. 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).

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 2008 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.

Joint ventures

Jointly controlled assets

The proportionate interests in the assets, liabilities and expenses of joint venture activities have been incorporated in the financial statements under the appropriate headings. Details of the joint venture are set out in Note 18.

Joint venture entities

Interests in jointly-owned companies are accounted for in the consolidated financial statements using the equity method. Under the equity method, the share of the profits or losses of jointly-owned companies are recognised in the Income Statement, and the share of movements in reserves is recognised in reserves in the Balance Sheet. The cumulative profits, losses and reserves movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture entity equals or exceeds the cost of its investment in the joint venture entity, including any other long-term unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture entity. Further details of the jointly-owned company are set out in Note 18.

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

(c) Trade and other receivables

All trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost less provisions for doubtful debts. Collectability is reviewed on an ongoing basis. Debts which are known to be uncollectible are written-off. An allowance for doubtful debts (provision for impairment of trade receivables) is made where there is objective evidence that the Group will not be able to collect all amounts due according to the original terms. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the effective interest rate. The amount of any impairment loss is recognised in the Income Statement. Subsequent recoveries of amounts previously written-off are credited against other expenses 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 66 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 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 annually for impairment, and more regularly when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

(h) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the asset, including any gains or losses from qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the 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. Amounts disclosed as revenue are net of amounts collected on behalf of third parties.

Interest income is recognised on a time proportion basis using the effective interest method.

(m) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in the deferred tax assets and liabilities attributable to temporary differences between the tax bases and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset / liability is realised or settled. The deferred tax assets are not recognised for deductible temporary differences and unused tax losses unless it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Tax consolidation legislation

WestSide and its wholly-owned Australian entities have implemented the tax consolidation legislation. As a consequence, WestSide and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right. In addition to its own current and deferred tax amounts, WestSide as the head entity also recognises the current tax liabilities or assets and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

(n) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Australian dollars, which is the functional and presentation currency of the Company.

Transactions and balances

Foreign currency transactions are translated into the functional currency at the rate of exchange at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the 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.

Group companies

The results and financial position of Group entities which have a functional currency different from the Group's presentation currency are translated into the presentation currency. Assets and liabilities are translated at the exchange rate applicable at balance date, while Income Statement items are translated at the exchange rates applicable at the dates of the transactions, or an average exchange rate where it approximates the results of using individual rates. All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to shareholder's equity.

(o) Investments and other financial assets

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date. The treatment of categories relevant to these financial statements is as follows:

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); or (3) hedges of a net investment in a foreign operation (net investment 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 hedge

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.

Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

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 carrying value less impairment provisions of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(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 98/100, issued by the Australian Securities and Investments Commission, relating to the ''rounding off'' of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(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 in the Cash Flow Statements.

Receipts of GST paid by the Company and subsequently refunded by taxation authorities are disclosed separately as a cash flow from operating activities. Receipts of GST included with receipts from customers are included in receipts from customers from operating activities on the Cash Flow Statements.

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 interpretations have been published that are not mandatory for the 30 June 2008 reporting period. 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 2007-2	Amendments to UIG 4 and UIG 129 - Public to private service concession arrangements	1/1/2008	(2)
AASB 2007-3	Amendments to Australian Accounting Standards resulting from AASB 8	1/1/2009	(1)
AASB 2007-6	Amendments to Australian Accounting Standards arising from AASB 123	1/7/2009	(2)
AASB 101	Presentation of Financial Statements (revised)	1/1/2009	(1)
AASB 2007-8	Amendments to Australian Accounting Standards arising from changes to AASB 101	1/1/2009	(1)
AASB 2007-10	Amendments to Australian Accounting Standards arising from changes to AASB 101	1/1/2009	(1)
AASB 2008-1	Amendments to Australian Accounting Standard AASB2 Share-based Payments: Vesting Conditions and Cancellations	1/1/2009	(2)
AASB 3	Business Combinations (Revised)	1/7/2009	(3)
AASB 127	Consolidated and Separate Financial Statements (Revised)	1/7/2009	(3)
AASB 2008-3	Amendments to Australian Accounting Standards arising from changes to AASB 3 and AASB 127	1/7/2009	(3)
AASB 2008-7	Amendments to AASB 127 Cost of an investment in a subsidiary, jointly controlled entity or associate	1/1/2009	(4)
AASB 2008-5	Improvements to Australian Accounting Standards	1/1/2009	(2)
AASB 2008-6	Improvements to Australian Accounting Standards	1/7/2009	(2)
IFRIC 16	Hedges of a net investment in a foreign operation	1/10/2008	(2)
IAS 39	Financial Instruments: Recognition and Measurement (Revised)	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 generally only apply prospectively to transactions after 1 July 2009, so although the Group's relevant accounting policies will be altered to comply, application of these amendments are unlikely to have an impact on the Group's Financial Statements.

(4) The amendments apply prospectively from 1/1/2009. Dividends from subsidiaries, jointly controlled entities and associates will be recognised as revenue even if they are paid out of pre-acquisition profits, but investments may need to be tested for impairment as a result of the dividend. For any intermediate parent entity created in internal reorganisations, its investment in subsidiaries will be measured at the carry value of the net assets of the subsidiary rather than the subsidiary's fair value.

(x) Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of exploration and evaluation 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 consider would significantly affect amounts recognised in the financial statements.

(y) Segment reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

2 Segment information

The Group operates in one business segment, being the petroleum industry. Activities include the exploration and evaluation of potential gas resources. The Group's activities are conducted in two significant geographical segments, being Queensland, Australia and Kalimantan, Indonesia.

Primary reporting format – geographical segments

YEAR ENDED 30 JUNE 2008	Australia $000's	Indonesia $000's	Other $000's	Total $000's
Segment revenue	–	39	–	39
Unallocated revenue			1,441	1,441
Consolidated revenue				**1,480**
Segment result	(2,554)	(22)	–	(2,576)
Unallocated revenue less unallocated expenses			1,302	1,302
Loss before income tax				**(1,274)**
Segment assets and liabilities				
Segment assets	29,184	486	–	29,670
Unallocated assets			190	190
Total assets				**29,860**
Segment liabilities	3,057	–	–	3,057
Other segment information				
Acquisitions of property, plant & equipment and intangible assets	9,148	–	–	9,148
Depreciation and amortisation expense	12	–	–	12
Share of net losses of joint venture entity	–	135	–	135
Impairment losses	1,040	–	–	1,040
YEAR ENDED 30 JUNE 2007				
Segment revenue	–	–	–	–
Unallocated revenue			869	869
Consolidated revenue			**869**	**869**
Segment result	(1,119)	(83)	–	(1,202)
Unallocated revenue less unallocated expenses			869	869
Loss before income tax				**(333)**
Segment assets and liabilities				
Segment assets	28,170	–	–	28,170
Unallocated assets			358	358
Total assets				**28,528**
Segment liabilities	649	–	–	649
Other segment information				
Acquisitions of property, plant & equipment and intangible assets	3,033	–	–	3,033
Depreciation and amortisation expense	3	–	–	3

3 Revenue

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
From continuing operations				
Sales revenue				
Services provided to joint venture entity	**39**	–	**39**	–
Other revenue				
Interest	**1,441**	866	**1,441**	866
Total revenue from continuing operations	**1,480**	866	**1,480**	866

4 Other income

Net foreign exchange gains	**–**	3	**–**	3
Total other income	**–**	3	**–**	3

5 Other expenses

Profit before income tax includes the following specific expenses:

Expenses arising from share-based payment transactions				
Options granted to Directors and management	**116**	150	**116**	150
Amount capitalised to deferred exploration and evaluation asset	**(51)**	(35)	**–**	–
Amount capitalised to investment in subsidiary	**–**	–	**(51)**	(35)
Expenses arising from share-based payment transactions	**65**	115	**65**	115
Depreciation				
Depreciation – Plant and equipment	**51**	4	**51**	4
Amount capitalised to deferred exploration and evaluation asset	**(39)**	(1)	**–**	–
Amount capitalised to investment in subsidiary	**–**	–	**(39)**	(1)
Depreciation expense	**12**	3	**12**	3
Defined contribution superannuation contributions				
Defined contribution superannuation expense	**96**	53	**96**	53
Amount capitalised to deferred exploration and evaluation asset	**(38)**	(10)	**–**	–
Amount capitalised to investment in subsidiary	**–**	–	**(38)**	(10)
Defined contribution superannuation contributions	**58**	43	**58**	43
Rental expense relating to operating leases				
Minimum lease payments	**100**	51	**100**	51
Amount capitalised to deferred exploration and evaluation asset	**(44)**	(12)	**–**	–
Amount capitalised to investment in subsidiary	**–**	–	**(44)**	(12)
Rental expense relating to operating leases	**56**	39	**56**	39
Finance costs				
Provisions: unwinding of discount	**4**	–	**–**	–
Finance costs	**4**	–	**–**	–

6 Income tax expense

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
(a) Income tax expense				
Current tax	**(2,706)**	(1,190)	**(108)**	(293)
Deferred tax	**2,275**	1,007	**(8)**	110
Current year tax losses not recognised	**431**	183	**116**	183
Income tax (revenue) / expense attributable to profit from continuing operations	**–**	–	**–**	–
Deferred income tax expense included in income tax expense comprises:				
Increase in deferred tax assets	**(13)**	(84)	**(11)**	(84)
Increase in deferred tax liabilities	**2,288**	1,091	**3**	194
	2,275	1,007	**(8)**	110
(b) Numerical reconciliation of income tax expense to prima facie tax payable				
Loss from continuing operations before income tax expense	**(1,274)**	(333)	**(1,127)**	(333)
Tax at the Australian tax rate of 30% (2007: 30%)	**(382)**	(100)	**(338)**	(100)
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:				
Write-down of investments in subsidiaries	**–**	–	**312**	–
Share issue costs	**(143)**	(143)	**(143)**	(143)
Share of net losses of joint venture entity	**40**	–	**–**	–
Share based payments	**35**	45	**35**	45
Costs in respect of foreign operations	**11**	–	**11**	–
Legal fees	**7**	15	**7**	15
Difference in overseas tax rates	**1**	–	**–**	–
	(431)	(183)	**(116)**	(183)
Current year tax losses not recognised	**431**	183	**116**	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	**(143)**	573	**(143)**	573
Current year tax losses not recognised	**143**	(573)	**143**	(573)
	–	–	**–**	–
(d) Tax losses				
Unused tax losses for which no deferred tax asset has been recognised	**12,993**	3,968	**1,339**	978
Potential tax benefit @ 30%	**3,898**	1,190	**402**	293

$7,000 of unused tax losses were incurred by foreign subsidiaries. (2007: nil)

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
(e) Unrecognised temporary differences				
Net deferred tax liability comprises temporary differences attributable to:				
Share issue costs	**429**	573	**429**	573
Professional fees	**42**	55	**42**	55
Unrealised foreign exchange losses	**25**	–	**25**	–
Accruals	**23**	20	**23**	20
Employee entitlements	**7**	9	**7**	9
Deferred tax assets	**526**	657	**526**	657
Deferred exploration and evaluation costs	**3,182**	897	**–**	–
Stores and consumables	**140**	87	**140**	87
Interest receivable	**57**	107	**57**	107
Deferred tax liability	**3,379**	1,091	**197**	194
Net deferred tax liability/(asset)	**2,853**	434	**(329)**	(463)
Unused tax losses not brought to account	**(2,853)**	(434)	**–**	–
Deferred tax assets not brought to account	**–**	–	**329**	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	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Cash at bank and in hand	**1,644**	1,017	**1,644**	1,017
Deposits at call	**14,500**	23,705	**14,500**	23,705
	16,144	24,722	**16,144**	24,722

Market risks

Cash at bank and in hand are bearing interest rates between nil and 7.20% (2007: 4.75%).

The deposits are bearing floating interest rates between 7.73% and 8.13% (2007: 5.23% and 6.60%). These deposits have an average maturity of 40 days (2007: 53 days).

The Group's policies in relation to monitoring and controlling market risks such as Foreign Exchange Risks and Interest Rate Risks, including the sensitivity of cash and cash equivalents is set out in Note 25.

Cash of $50,000 (2007: $50,000) is held as collateral to secure a corporate credit card facility pursuant to a right of set-off.
$25,000 (2007: $9,000) was owing under the facility at balance date.

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

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Loss for the year	**(1,274)**	(333)	**(1,127)**	(333)
Impairment of exploration costs	**1,040**	–	**–**	–
Impairment of investments	**–**	–	**1,040**	–
Share of losses of joint venture entities	**135**	–	**–**	–
Non-cash employee benefits expense – share based payments	**65**	115	**65**	115
Depreciation	**12**	3	**12**	3
Net exchange differences	**82**	4	**82**	4
Finance costs – unwinding of discount on provisions	**4**	–	**–**	–
Change in operating assets and liabilities:				
Increase in receivables and other current assets	**(465)**	(473)	**(465)**	(473)
Increase in trade and other payables	**84**	326	**84**	326
Net cash outflow from operating activities	**(317)**	(358)	**(309)**	(358)

(b) Non-cash investing and financing activities

Issue of Incentive Options to Directors and employees

During the year, the Company issued 454,000 Incentive Options (2007: 1,960,000) 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).

Funding of subsidiaries

The Parent Entity funds the operations of its subsidiaries by paying costs and expenses directly to the subsidiaries' suppliers. These payments have been classified as "Investments in subsidiaries" in the Statement of Cash Flows, consistent with their classification as investments as set out in Note 10.

Issue of March 2009 Options in prior year

During the year ended 30 June 2007, 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 in prior year

During the year ended 30 June 2007 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	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Trade receivables	**496**	–	**496**	–
Interest receivable	**190**	358	**190**	358
Other receivables	**986**	60	**986**	60
Prepayments	**59**	34	**59**	34
Deposits	**18**	21	**18**	21
	1,749	473	**1,749**	473

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

Market risks

Trade and other receivables are non-interest bearing.

The Group's policies in relation to monitoring and controlling market risks such as Foreign Exchange Risks and Interest Rate Risks, including the sensitivity of trade and other receivables is set out in Note 25.

Credit risks

Trade receivables are largely comprised of reimbursements of establishment costs which the Parent Entity incurred on behalf of a jointly controlled entity ($485,000). This was paid in full after balance date and it is unlikely that transactions of this quantum will occur with the jointly-controlled entity in the future.

Interest receivable on term deposits is owing from high-quality financial institutions.

Other receivables comprise amounts owing from the Australian Taxation Office for GST and fuel credits and from joint venturers for their share of exploration costs incurred. The Company's rights to reimbursement of costs incurred as operator will be secured by Deeds of Cross Charge over the joint venturers' interest in the respective tenements.

9 Current assets – Inventories

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Stores and consumables – at cost	**467**	289	**467**	289

10 Non-current assets – Other financial assets

Investment in subsidiaries – at cost	**–**	–	**10,749**	2,990
Investments in joint venture entities accounted-for using the equity method (Note 18(b))	**–**	–	**–**	–
	–	–	**10,749**	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

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Furniture, fittings and equipment				
Cost	**50**	43	**50**	43
Less accumulated depreciation	**(16)**	(4)	**(16)**	(4)
Net book amount	**34**	39	**34**	39
Field machinery and equipment				
Cost	**485**	–	**485**	–
Less accumulated depreciation	**(39)**	–	**(39)**	–
Net book amount	**446**	–	**446**	–
Total Property, Plant & Equipment				
Cost	**535**	43	**535**	43
Less accumulated depreciation	**(55)**	(4)	**(55)**	(4)
Net book amount	**480**	39	**480**	39
Reconciliation of movements – Furniture, fittings and equipment				
Balance at the start of the year	**39**	–	**39**	–
Additions	**7**	43	**7**	43
Depreciation expense	**(12)**	(4)	**(12)**	(4)
Balance at the end of the year	**34**	39	**34**	39
Reconciliation of movements – Field machinery and equipment				
Balance at the start of the year	**–**	–	**–**	–
Additions	**485**	–	**485**	–
Depreciation expense	**(39)**	–	**(39)**	–
Balance at the end of the year	**446**	–	**446**	–
Reconciliation of movements – Total Property, Plant & Equipment				
Balance at the start of the year	**39**	–	**39**	–
Additions	**492**	43	**492**	43
Depreciation expense	**(51)**	(4)	**(51)**	(4)
Balance at the end of the year	**480**	39	**480**	39

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

Balance at the start of the year	**3,005**	–	**–**	–
Additions	**8,656**	2,990	**–**	–
Restoration asset movement	**399**	15	**–**	–
Impairment write-down(1)	**(1,040)**	–	**–**	–
Balance at the end of the year	**11,020**	3,005	**–**	–

(1) The Group relinquished its rights to exploration tenements ATP693P and ATP811P in July 2008. Exploration and appraisal costs which had been capitalised in relation to these tenements have been written-down to a Nil carrying value at 30 June 2008.

13 Current liabilities – Trade and other payables

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Trade payables and accruals	**2,617**	604	**2,617**	604
Employee benefits	**22**	30	**22**	30
	2,639	634	**2,639**	634

Market risks

Trade payables and accruals do not bear interest and the aggregate carrying values of these financial liabilities approximates the net fair values.

The Group's policies in relation to monitoring and controlling market risks such as Foreign Exchange Risks and Interest Rate Risks, including the sensitivity of trade and other payables is set out in Note 25.

Liquidity risks

All trade and other payables are expected to be settled within 12 months.

Payables of $25,000 (2007: $9,000) are secured by a right of set-off against cash on deposit.

14 Non current liabilities – Provisions

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Provision for restoration and rehabilitation				
Balance at the start of the year	**15**	–	**–**	–
Additional provisions recognised	**399**	15	**–**	–
Charged to the Income Statement – unwinding of discount	**4**	–	**–**	–
Balance at the end of the year	**418**	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

		Parent entity		Parent entity	
		2008	2007	**2008**	2007
	Notes	**Shares**	Shares	**$'000**	$'000
(a) Share capital					
Authorised and issued ordinary shares – fully paid	15(c),(d)				
Quoted on the ASX		**61,062,000**	60,062,000		
Unquoted		**13,000,000**	14,000,000		
Total contributed equity		**74,062,000**	74,062,000	**28,144**	28,144

		2008	2007
	Notes	**Options**	Options
(b) Other equity securities			
Share options – 50 cents expiring 31 March 2009	15(e)		
Quoted on ASX		**30,031,000**	30,031,000
Unquoted		**6,500,000**	6,500,000
		36,531,000	36,531,000
Share options –Incentive Options - unquoted	15(e)	**2,019,000**	1,960,000
Total other equity securities		**38,550,000**	38,491,000

(c) Movements in ordinary share capital

Date	Details	Notes	Number of shares	Issue price $	Value $'000
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 issued	(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**
30 June 2008	**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 farm-in 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 2008, there were 38.55 million (2007: 38.491 million) 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 Options Number
Balance 30 June 2007	**36,531,000**	**1,960,000**	**38,491,000**
Issued during the year	–	454,000	454,000
Cancelled during the year	–	(395,000)	(395,000)
Balance 30 June 2008	**36,531,000**	**2,019,000**	**38,550,000**

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.

Consolidated and Parent Entity – 2008		Number of options			
Expiry date	Exercise price	Balance at the start of the year	Exercised during the year	Balance at the end of the year	Exercisable at the end of the year
31 March 2009	$0.50	36,531,000	–	36,531,000	30,031,000
Total 30 June 2008		**36,531,000**	**–**	**36,531,000**	**30,031,000**
Weighted average exercise price ($)		**$0.50**		**$0.50**	**$0.50**

The weighted average remaining contractual life of March 2009 Options outstanding at the end of the year is 274 days (2007: 639 days).

Consolidated and Parent Entity – 2007			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**	**Exercisable at the end of the year**
16 Nov 2006	31 March 2009	$0.50	–	7,000,000	7,000,000	500,000
19 Dec 2006	31 March 2009	$0.50	–	10,200,000	10,200,000	10,200,000
28 Dec 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 their vesting date, and must be exercised before their expiry date. All Incentive Options lapse 90 days after an employee/contractor ceases to be engaged by the Company. If, during the life of the Incentive Options, the Company makes a bonus issue to its shareholders, the option holder will be entitled, upon later exercise of that option, to receive additional shares as if the option holder had exercised the option prior to the record date for the bonus issue. The rights of option holders will also be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital. The Board retains the discretion to waive exercise conditions including where there is a change of control of the Company.

Consolidated and Parent Entity – 2008			Number of Incentive Options (000's)			
Vesting date	**Expiry date**	**Exercise price**	**Balance at the start of the year**	**Granted during the year**	**Forfeited during the year**	**Outstanding at the end of the year[(i)]**
10 January 2010	10 January 2013	$0.50	1,960	–	(300)	1,660
1 July 2010	30 June 2012	$0.91	–	349	–	349
1 July 2010	30 June 2012	$0.91	–	105	(95)	10
Total 30 June 2008			**1,960**	**454**	**(395)**	**2,019**
Weighted average exercise price ($)			**$0.50**	**$0.91**	**$0.60**	**$0.57**

(i) The weighted average remaining contractual life of Incentive Options outstanding at the end of the year is 1,619 days (2007: 2,021 days).

No Incentive Options were exercisable at 30 June 2008 (2007: Nil).

Consolidated and Parent Entity – 2007			Number of options		
Vesting date	**Expiry date**	**Exercise price**	**Balance at the start of the year**	**Granted during the year**	**Balance at the end of the year**
10 January 2010	10 January 2013	$0.50	–	1,700,000	1,700,000
10 January 2010	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**

The weighted average fair value of Incentive Options granted during the year ended 30 June 2008 was 33 cents per option (2007: 27 cents). The fair value of options granted are determined using a Black-Scholes-Merton option pricing model that takes into account the following variables:

	Year ended 30 June 2008		Year ended 30 June 2007		
Grant date	**26 July 2007**	**14 Nov 2007**	16 Nov 2006	27 Feb 2007	18 April 2007
Expiry date	**30 June 2012**	**30 June 2012**	10 Jan 2013	10 Jan 2013	10 Jan 2013
Share price at grant date	**$0.78**	**$0.535**	$0.50	$0.40	$0.385
Exercise price	**$0.91**	**$0.91**	$0.50	$0.50	$0.50
Expected share price volatility	**60%**	**60%**	60%	60%	60%
Expected dividends	**Nil**	**Nil**	Nil	Nil	Nil
Risk free interest rate	**6.40% pa**	**6.60% pa**	5.78% pa	5.91% pa	6.15% pa

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

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

16 Reserves and retained profits

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
(a) Reserves				
Share option reserve	**266**	150	**266**	150
Hedging reserve – cash flow hedges	**–**	(82)	**–**	(82)
Total reserves	**266**	68	**266**	68
Movements:				
Share option reserve				
Balance at the start of the year	**150**	–	**150**	–
Employee option expense	**116**	150	**116**	150
Balance at the end of the year	**266**	150	**266**	150
Hedging reserve – cash flow hedges				
Balance at the start of the year	**(82)**	–	**(82)**	–
Revaluation decrements	**(177)**	(97)	**(177)**	(97)
Revaluation increments	**91**	–	**91**	–
Transfer to loss for the period - net foreign exchange losses	**56**	–	**56**	–
Transfer to inventory and other assets	**112**	15	**112**	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	**(333)**	–	**(333)**	–
Net loss for the year	**(1,274)**	(333)	**(1,127)**	(333)
Balance at the end of the year	**(1,607)**	(333)	**(1,460)**	(333)

(c) Nature and purpose of reserves

Share option reserve

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

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 *	
			2008	2007
			%	%
WESTSIDE ATP 688P Pty Ltd	Australia	Ordinary	100	100
WESTSIDE ATP 693P Pty Ltd	Australia	Ordinary	100	100
WESTSIDE ATP 769P Pty Ltd	Australia	Ordinary	100	100
WESTSIDE ATP 811P Pty Ltd	Australia	Ordinary	100	100
WESTSIDE MARKETING Pty Ltd	Australia	Ordinary	100	100
WESTSIDE CSG HOLDINGS Pte Ltd	Singapore	Ordinary	100	–
WESTSIDE KPC HOLDINGS Pte Ltd	Singapore	Ordinary	100	100

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

WESTSIDE CSG HOLDINGS Pte Ltd was incorporated as a new entity during the year.

18 Joint ventures

(a) Jointly controlled assets

Subsidiaries have entered into joint ventures to jointly explore, appraise and develop for coal seam gas in specific exploration tenements in Queensland's Bowen Basin. Interests in these joint ventures are set out below:

		Consolidated		Parent	
Joint venture	Principal activities	2008	2007	2008	2007
Bowen Basin ATP769P	Coal seam gas exploration	50%*	–	–	–
Bowen Basin ATP688P	Coal seam gas exploration	50%*	–	–	–

* Joint Operating and Production Agreements are being finalised at the date of this report, but are expected to be effective for operations which commenced in June 2008.

The Group's interests in the assets employed in the joint ventures are included in the consolidated Balance Sheet in accordance with the accounting policy set out in Note 1(b) under the following classifications:

	Consolidated		Parent	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Non-current assets				
Intangible assets – exploration and evaluation costs	11,020	–	–	–

The Company had incurred liabilities of $2,399,000 (2007: nil) in respect of operations of joint venture assets at balance date. Other receivables include amounts of $736,000 (2007: nil) which are expected to be recovered from joint venturers for their share of joint exploration costs incurred up to the balance date.

Provisions include $418,000 (2007: nil) which represent the Group's share of future restoration and rehabilitation costs of joint venture assets.

Capital expenditure commitments relating to the joint ventures are set out in Note 19. There are no contingent liabilities relating to the joint venture activities.

(b) Jointly controlled entities

A subsidiary has investments in jointly controlled entities.

Movements in carrying amounts	Consolidated	
	2008	2007
	$'000	$'000
Carrying amount at the beginning of the financial year	–	–
Investment in joint venture entities	135	–
Share of losses after income tax	(135)	–
Carrying amount at the end of the financial year	–	–
Unrecognised share of losses at the beginning of the financial year	–	–
Unrecognised share of losses for the period	228	–
Unrecognised share of losses at the end of the financial year	228	–

2008			Group's share of:				
Entity name	Ownership interest	Place of incorporation	Current assets $'000	Current liabilities $'000	Revenues $'000	Expenses $'000	Profit /(loss) $'000
PT Seamgas Indonesia	50%	Indonesia	47	369	–	363	(363)
KPC CBM Pte Ltd	50%	Singapore	–	–	–	–	–
Arutmin CBM Pte Ltd	50%	Singapore	–	–	–	–	–
Westprima Resources Pte Ltd	50%	Singapore	–	–	–	–	–
Kalenergy Pte Ltd	50%	Singapore	–	–	–	–	–
Tansar Gas Pte Ltd	50%	Singapore	–	–	–	–	–
			47	**369**	**–**	**363**	**(363)**

There were no jointly controlled entities at 30 June 2007.

There are no contingent liabilities relating to jointly controlled entities. The Group's share of capital commitments of jointly controlled entities are set out in Note 19(a).

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]	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Intangible assets – exploration and evaluation costs[1]				
Payable:				
Within one year	**1,700**	9,300	**1,700**	9,300
	1,700	9,300	**1,700**	9,300
Non-current assets – investments in joint venture entities[3]				
Payable:				
Within one year	**2,600**	–	**2,600**	–
	2,600	–	**2,600**	–

(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 with its joint venturers. These amounts represent WestSide's share of expected expenditure required to complete these approved work programs. In 2007, the amounts represented the expenditure required to satisfy the Group's obligations under Farm-in Agreements.

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

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

The capital commitments for exploration and evaluation costs above include capital expenditure commitments of $1,601,000 (2007: nil) relating to joint ventures listed in Note 18(a).

(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	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	**24**	18	**24**	18
	24	18	**24**	18

(c) Remuneration commitments

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'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	**50**	231	**50**	231
	50	231	**50**	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.

Interests in joint ventures and jointly-controlled entities are set out in Note 18.

(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	
	2008	2007	**2008**	2007
	$	$	**$**	$
Costs incurred on behalf of subsidiaries(1)	**–**	–	**7,927,853**	2,989,979
Costs incurred as operator of joint venture and on-charged to joint venture	**1,472,179**	–	**1,472,179**	–
Contributions to joint venture costs	**736,090**	–	**–**	–
Costs incurred on behalf of joint venture entity and on-charged to joint venture entity	**446,798**	–	**446,798**	–
Provision of services to joint venture entity	**39,116**	–	**39,116**	–

(1) 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.

All other transactions are on normal commercial terms and conditions.

(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	
	2008	2007	**2008**	2007
	$	$	**$**	$
Current assets – trade and other receivables				
From joint venture entities for services to, and costs incurred on behalf of joint venture entities	**485,914**	–	**485,914**	–
From joint ventures for costs incurred as operator of joint venture	**736,089**	–	**736,089**	–
Non-current assets – Other financial assets				
From subsidiaries for loans receivable	**–**	–	**10,748,915**	2,989,979

No provisions for doubtful debts have been raised in relation to any outstanding balances. The Company has recorded an impairment loss of $1,039,653 (2007: nil) against loans to subsidiaries which have been classified as investments in subsidiaries.

21 Key management personnel disclosures

(a) Directors

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

		Period of appointment (year ended 30 June)	
Name	**Position**	**2008**	2007
M Cavell	Chairman (Non-executive)	**To 8 February 2008**	From 10 August 2006
	Chairman and Acting Chief Executive Officer	**From 8 February 2008**	–
S Cullum	Chief Executive Officer	**To 8 February 2008**	From 18 July 2006
A Karoll	Director (Non-executive)	**From 1 June 2008**	To 10 January 2007
	Executive Director – Strategy & Business Development	**To 31 May 2008**	From 10 January 2007
Non-executive Directors			
K Farrell	Director	**Full year**	From 30 May 2007
A Gall	Director	**Full year**	Full year
T Karoll	Director	**Full year**	From 25 August 2006

(b) Other key management personnel

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

		Period of appointment (year ended 30 June)	
Name	**Position**	**2008**	2007
L Brown	Operations manager	**Full year**	From 13 June 2007
D Galvin	Chief Financial Officer and Company Secretary	**Full year**	From 2 October 2006
G Hogarth	Chief Operating Officer	**From 13 February 2008**	–

(c) Key management personnel compensation

	Consolidated and Parent entity	
	2008	2007
	$	$
Short term employee benefits	**1,081,711**	590,098
Post employment benefits	**71,272**	44,075
Termination benefits	**525,000**	–
Share based payments	**94,484**	145,182
	1,772,467	779,355

The Company has taken advantage of the relief provided by the Corporations Regulation 2M.3.03 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.

(d) Equity instrument disclosures relating to key management personnel

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.

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.

March 2009 Options – 2008 (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)**	**–**	**–**	**–**
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**	**–**

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 – 2008 (Number of options)

Name	Balance at the start of the year	Granted as compensation during the year	Other changes during the year	Balance 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**	**95,000**	**(395,000)**	**–**	**–**
A Gall	**300,000**	**–**	**–**	**300,000**	**300,000**
A Karoll	**300,000**	**10,000**	**–**	**310,000**	**310,000**
T Karoll	**200,000**	**–**	**–**	**200,000**	**200,000**
Other key management personnel of the Group					
L Brown	**–**	**190,000**	**–**	**190,000**	**190,000**
D Galvin	**300,000**	**45,000**	**–**	**345,000**	**345,000**

No Incentive Options were vested and exercisable at the end of the year.

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

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 – 2008 (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	**13,290,000**	**–**	**13,290,000**
T Karoll	**200,000**	**–**	**200,000**
Other key management personnel of the Group			
D Galvin	**10,000**	**–**	**10,000**

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

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	
	2008	2007	**2008**	2007
	$	$	**$**	$
(a) Audit services				
Audit and review of financial reports	**90,000**	43,000	**90,000**	43,000
(b) Non-audit services				
Taxation services				
Taxation return preparation	**9,000**	–	**9,000**	–
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	**9,000**	57,000	**9,000**	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	**9,000**	118,669	**9,000**	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.

23 Earnings per share

	Consolidated 2008 Cents	Consolidated 2007 Cents
(a) Basic and diluted earnings per share		
Loss from continuing operations attributable to the ordinary equity holders of the Company	**(1.72)**	(0.8)

	Consolidated 2008 $'000	Consolidated 2007 $'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	**(1,274)**	(333)

	Consolidated 2008 Number	Consolidated 2007 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	**74,062,000**	44,038,833

(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

Expiry of options

On 28 August 2008 the Company cancelled 147,000 Incentive Options which had expired following the resignation of an employee.

Issue of options

On 25 August 2008 the Company issued 422,000 Incentive Options to staff pursuant to the WestSide Director and Employee Incentive Option Plan. The Incentive Options will be exercisable between 1 July 2011 and 30 June 2013 at an exercise price of 63.8 cents per share, being the weighted average price of the Company's shares for 10 days prior to 30 June 2008.

Exit from exploration tenements

In July 2008, The Company announced that it would not be completing its farm-in into two exploration tenements in the Bowen Basin (ATP693P and ATP811P). Carrying values related to these areas were written-down in full in the financial year ended 30 June 2008.

25 Financial risk management

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

Market risk – Foreign exchange risk

The Group aims to limit its exposure to foreign currency fluctuations for major firm orders of equipment and inventories denominated in foreign currency. The Group enters into agreements with suppliers of equipment where the prices are fixed in foreign currency – predominantly US Dollars. Where services are provided to foreign customers, the Group denominates amounts payable in Australian currency to limit its exposure to foreign currency fluctuations.

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

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. Amounts which have been: recognised in equity; removed from equity and included in profit or loss; or removed from equity and included in the carrying amount of non-financial assets during the period are set out in Note 16(a).

At 30 June 2008, the Group held no foreign currency to cover specific firm orders denominated in foreign currency as no material orders were outstanding (2007: $1,531,000 / USD $1,299,000).

Market risk – 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. Further detail is set out in Note 7.

Market risk – Sensitivity analysis

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to market risks:

2008 Consolidated and Parent		Foreign exchange risk				Interest rate risk	
		-10%		+10%		-10%	+10%
	Carrying amount $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit and Equity $'000	Profit and Equity $'000
Financial assets							
Cash and cash equivalents	**16,144**	**36**	**36**	**(29)**	**(29)**	**(127)**	**127**
Trade and other receivables	**1,690**	**1**	**1**	**(1)**	**(1)**	**–**	**–**
Financial liabilities							
Trade and other payables	**(2,617)**	**(36)**	**(36)**	**30**	**30**	**–**	**–**
Total increase / (Decrease)		**1**	**1**	**–**	**–**	**(127)**	**127**

2007 Consolidated and Parent		Foreign exchange risk				Interest rate risk	
		-10%		+10%		-10%	+10%
	Carrying amount $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit and Equity $'000	Profit and Equity $'000
Financial assets							
Cash and cash equivalents	24,722	19	180	(15)	(147)	(156)	156
Trade and other receivables	439	1	1	(1)	(1)	–	–
Financial liabilities							
Trade and other payables	(604)	(11)	(11)	9	9	–	–
Total increase / (Decrease)		**9**	**170**	**(7)**	**(139)**	**(156)**	**156**

The above sensitivity analysis assumes that changes in interest rates will have an immediate impact on all cash balances, notwithstanding that at balance date a significant portion of cash is held as term deposits which have fixed interest rates and an average maturity of 40 days (2007: 53 days). The impact of changes of interest rates on cash balances is based on the annual interest which would be received if the cash balances at balance date were maintained for a full year and does not attempt to predict changes in cash balances over that period. The sensitivity analysis is based on pre-tax figures as the Group is currently in a tax loss position which results in nil tax payable and nil tax expense.

Credit risk

The Group has no significant concentrations of credit risk. Cash transactions and deposits are with high credit quality financial institutions. Further information relating to the credit risk of trade and other receivables is set out in Note 8.

Funding and liquidity risk management

The Group maintains a system of controls which provide for continual monitoring of future cash flow requirements, allowing it to put in place appropriate facilities to ensure that sufficient funds are available to fund the Group's activities in the short to medium term.

The Group's and the Parent Entity's underlying objectives with respect to managing capital are to safeguard their ability to continue as a going concern to enable the Group to operate to increase shareholder value. While the Group's activities comprise mainly exploration and appraisal operations, funding through equity, rather than debt, is considered to be the most appropriate capital structure.

Directors' Declaration

30 June 2008
WestSide Corporation Limited

In the Directors' opinion:

(a) the financial statements and notes set out on pages 32 to 60 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 2008 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 24 to 28 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.

A Karoll
Director

Brisbane, 30 September 2008

PRICEWATERHOUSECOOPERS

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Independent audit report to the members of WestSide Corporation Limited

Report on the financial report

We have audited the accompanying financial report of WestSide Corporation Limited (the company), which comprises the balance sheet as at 30 June 2008, 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.

Directors' responsibility for the financial 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 controls 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Audit Report (cont'd)

30 June 2008
WestSide Corporation Limited

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 http://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.

Independence

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

Auditor's opinion on the financial report

In our opinion:

(a) the financial report of WestSide Corporation Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 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).

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 24 to 28 of the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the Remuneration Report of WestSide Corporation Limited for the year ended 30 June 2008, complies with section 300A of the *Corporations Act 2001*.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report and remuneration report of WestSide Corporation Limited (the company) and the WestSide Corporation Limited Group for the year ended 30 June 2008 included on WestSide Corporation Limited's web site. The company's directors are responsible for the integrity of the WestSide Corporation Limited web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report and remuneration report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or the remuneration report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report and remuneration report to confirm the information included in the audited financial report and remuneration report presented on this web site.

PricewaterhouseCoopers

PricewaterhouseCoopers

Brett Delaney

Brett Delaney
Partner

Brisbane, 30 September 2008

Liability limited by a scheme approved under Professional Standards Legislation

Shareholder Information

30 June 2008
WestSide Corporation Limited

The shareholder information set out below was applicable as at 17 September 2008.

A Distribution of equity securities

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

Number of securities held	Ordinary shares Shareholders	March 2009 Options Optionholders	Incentive Options Optionholders
1 – 1,000	16	–	–
1,001 – 5,000	120	189	–
5,001 – 10,000	130	28	–
10,001 – 100,000	119	81	1
100,001 and over	28	28	8
	413	**326**	**9**

There were 8 holders of less than a marketable parcel of ordinary shares.

B Equity security holders

Twenty largest quoted equity security holders

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

	Ordinary Shares	
Name	**Number held**	**Percentage of issued shares**
PT BUMI RESOURCES TBK	22,289,885	30.1
MR ANGUS NELSON KAROLL	13,290,000	17.9
ANZ NOMINEES LIMITED	11,750,729	15.9
NATIONAL NOMINEES LIMITED	10,200,000	13.8
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,111,850	2.9
CS FOURTH NOMINEES PTY LTD	1,505,606	2.0
FANCHEL PTY LTD	1,400,000	1.9
J P MORGAN NOMINEES AUSTRALIA LIMITED	1,000,000	1.4
BNG (SURAT) PTY LTD	625,000	0.8
MR BRADLEY JOHN PETTERSSON	520,000	0.7
MR KENNETH PATRICK FARRELL AND MRS PETRONELLA FARRELL	400,000	0.5
NEWVEST PTY LTD	300,000	0.4
PHALARIS PTY LTD	300,000	0.4
DR ALASTAIR ROWLAND BROWN	298,350	0.4
KAMERA INVESTMENT HOLDINGS LIMITED	260,000	0.4
NEW SOUTH OIL PTY LTD	250,000	0.3
MR IAN MORTON AND MRS DEBORAH MORTON	245,230	0.3
MR ELI SHELLIM	170,535	0.2
DARLEY PTY LTD	169,955	0.2
COLOWELL PTY LTD	150,000	0.2
Total	**67,237,140**	**90.8**

Shareholder Information (cont'd)

30 June 2008
WestSide Corporation Limited

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

	March 2009 Options	
Name	**Number held**	**Percentage of March 2009 Options**
PT BUMI RESOURCES TBK	10,200,000	27.9
NATIONAL NOMINEES LIMITED	10,100,000	27.6
MR ANGUS NELSON KAROLL	6,645,000	18.2
CS FOURTH NOMINEES PTY LTD	500,000	1.4
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	391,000	1.1
FANCHAL PTY LTD	382,000	1.0
MR NICHOLAS DAVID CRESSWELL	321,000	0.9
TOP DOG TRADING PTY LTD	243,000	0.7
IRREWARRA INVESTMENTS PTY LTD	230,000	0.6
MR JEREMY POCKLEY	205,000	0.6
MR BRADLEY JOHN PETTERSSON	200,000	0.5
VILLASOR HOLDINGS PTY LTD	200,000	0.5
MR KENNETH PATRICK FARRELL AND MRS PETRONELLA FARRELL	200,000	0.5
EIFFEL INVESTMENTS PTY LTD	184,500	0.5
MR ALEXANDER WARNER & MRS CHARLOTTE WARNER	152,500	0.4
MR DAVID SEGAL	150,000	0.4
NEWVEST PTY LTD	150,000	0.4
PHALARIS PTY LTD	150,000	0.4
BT PORTFOLIO SERVICES LIMITED	150,000	0.4
MRS KAREN PISANI	148,000	0.4
Total	**30,902,000**	**84.6**

Unquoted equity securities

	Number on issue	Number of holders
Incentive Options issued under the WestSide Director and Employee Incentive Option Plan	2,294,000	9
Ordinary Shares	13,000,000	9
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	94.5%
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
PT Bumi Resources TBK	22,053,028	29.78
Saad Investments Company Ltd	20,400,000	27.54
Angus Karoll	13,290,000	17.94
Citigroup Global Markets Limited*	10,200,000	13.59

* 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 as set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

March 2009 Options and Incentive Options

No voting rights.

E Restricted Securities

Class	Date escrow period ends	Number of securities
Ordinary shares	10 January 2009	13,000,000
March 2009 Options	10 January 2009	6,500,000
Incentive Options	10 January 2009	1,100,000

F Use of cash and assets

WestSide Corporation Ltd has used the cash and assets held at the time of admission to the Australian Securities 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 769P	Bowen Basin - Queensland	50%

Corporate Governance Statement

30 June 2008
WestSide Corporation Limited

Corporate Governance Statement

WestSide's Board recognises the importance of good corporate governance and is committed to maintaining the highest standards of corporate governance. WestSide's Directors are responsible to the shareholders for the performance of the Company and their overriding aim is to enhance the interests of shareholders and to ensure the Company is properly managed.

The Company has established a framework of principles to provide guidance to Directors, executives and staff in the day to day management of WestSide's operations. Summaries of these principles are set out on the Company's website: **www.westsidecorporation.com**.

WestSide has adopted the ASX Corporate Governance Council's "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 full financial year ended 30 June 2008 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 to 8 February 2008	WestSide position from 8 February 2008	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.	Majority of Board is non-executive, but only one of five Directors (A Gall) can be considered independent.	Pre-February 2008: Refer to discussion below (Independence of Directors). Post-February 2008: Refer to discussion below (Board composition).
The Chairman should be independent.	Independent Chairman.	Chairman is acting in executive role.	Post-February 2008: Refer to discussion below (Board composition).
The roles of the Chairman and CEO should not be exercised by the same person.	Separate Chairman and CEO.	Chairman is acting in CEO role.	Post-February 2008: Refer to discussion below (Board composition).
Nomination Committee should be established.	The Board performs the duties in relation to the nomination of new Directors.	The Board performs the duties in relation to the nomination of new Directors	The Board believes that WestSide is not of sufficient size to warrant formation of a permanent Nomination Committee.
Audit Committee should consist of at least 3 members, all of whom are non-executive, the majority being independent and an independent Chairman who is not Chairman of the Board.	All recommendations satisfied.	One member (M Cavell) is now acting in an executive role and there is now only one independent member (A Gall), who is the Committee's Chairman and not the Chairman of the Board.	Post-February 2008: Refer to discussion below (Board composition).
Establish formal polices on risk oversight and management.	A formal risk management policy was adopted by the Board in November 2007.	Recommendation satisfied.	Risks to November 2007 were monitored without formal procedures while more formal policies and procedures were being developed.
Disclose the process for performance evaluation of the Board and key executives.	Board performance has been monitored informally on an ongoing basis by the Chairman.	Board performance has been monitored informally on an ongoing basis by the Chairman. Detailed performance evaluation procedures are currently being developed.	Board performance has been monitored informally on an ongoing basis by the Chairman. Detailed procedures are being formulated. Once approved by the Board, the process will be disclosed on the Company website.
Remuneration Committee should be established.	The Board performs the duties that would otherwise be dealt with by a separate Remuneration Committee.	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.
Equity-based executive remuneration is made in accordance with thresholds set in plans approved by shareholders.	2007 / 2008 plan was approved for Directors but not for executives.	2007 / 2008 plan was approved for Directors but not for executives.	The Board does not believe that shareholder approval is necessary given the relatively modest nature of the equity-based incentive scheme in place.

Board composition

WestSide's Board composition and balance was affected by the resignation of the Company's CEO, S Cullum in February 2008. Following his departure, the Board began an immediate search for a replacement CEO. In the interim, the Board decided that WestSide's independent Non-executive Chairman, M Cavell would act as CEO. With the Chairman acting in an executive position, the Board is prepared to deviate from strict adherence to a number of the Company's normal Corporate Governance policies and principles. This appointment has extended for a longer period than was originally contemplated, but is considered to be the best solution for the management of the Company in the short term. After the end of the financial year, the Company's Chairman and Acting CEO resigned and was replaced by Mr A Karoll. Efforts to recruit a permanent CEO are continuing.

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 one, of five Directors (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 19 and 20 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. As at 30 June 2008, no formal appraisal had been conducted for Directors. Appraisals will be performed in the 2008 / 2009 financial year.

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

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 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 certain tenements from Sunshine Gas by completing an agreed program of work.
Gas in Place (or GIP)	The quantity of gas which is estimated to be contained in a known coal formation or discrete area.
Gigajoule (or GJ)	Gigajoule (10^9 Joules). There are 1,000 GJ in a Terajoule (TJ) and 1,000 TJ in a Petajoule (PJ).
IPO	Initial Public Offering made subject to a Prospectus dated 17 November 2006.
KPC	Kaltim Prima Coal – a company incorporated in Indonesia which owns and operates coal mines in Kalimantan, Indonesia.
Listing	The official listing of the Company on ASX.
mscfd	million standard cubic feet per day.
PDS	Project Definition Study
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

WestSide Corporation Limited

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ACN 117 145 516

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Registered Office

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Brisbane QLD 4000

Directors

Angus Karoll
Chairman and Acting Chief Executive Officer

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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Brisbane QLD 4000

Share Registry

Registries Limited

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Communications Advisers

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