

Quarterly Activities Report (Quarter ended 30 June 2018)

Fitzroy River Corporation Ltd (**Fitzroy**, **FZR** or **Company**) is pleased to report on its activities during the quarter ended 30 June 2018.

Highlights:

- **Investments**
 - Fitzroy was advised by Royalco Resources Limited (**Royalco**) that it was the highest bidder at \$6.6m for the 1% interest in the Weeks Royalty asset. Fitzroy is currently in discussions with Royalco in relation to transaction details; and
 - On 6 April 2018, Byron Energy Limited (**Byron**) commenced production from its SM71 well in the Gulf of Mexico. Fitzroy currently holds 18.8m shares in BYE with a current market value of approximately \$5.3m.
- **Buru Royalty Income**
 - Buru continued production at Ungani with Fitzroy receiving royalties totalling \$107,678.
- **Buru Royalty Exploration Permits and Production Licences**
 - On 21 May 2018, Buru entered into 2 transactions with Roc Oil (Canning) Pty Ltd (a subsidiary of Fosun International Limited) in relation to some of its Canning Basin oil production and exploration assets. Fitzroy has a royalty over each of the areas the subject of the transaction.
- **Capital Management**
 - The On-Market Share Buy-back initiated by Fitzroy concluded on 21 June 2018. During the buy-back period, Fitzroy purchased 2.337m shares representing approximately 2.5% of prior issued shares.

A. Corporate:

1. Summary of Announcements to the ASX During the Quarter:

Date:	Announcement
10 April	Daily share buy-back notice – Appendix 3E (18,453 shares)
16 April	Cancellation of Shares – Form 484 (126,012 shares)
26 April	Quarterly Activities and Cashflow Reports
22 June	Final Share Buy-Back Notice – Appendix 3F

Table 1: Summary of ASX releases by Fitzroy during the June Quarter.

2. Finalisation of the On-market Share Buy-back:

During the quarter, the Company concluded its on-market share buy-back (announced 5 June 2017) after buying back a total of 2,337,435 shares for a total consideration of approximately \$515,000.

3. Royalties:

The following royalties have been received during the quarter or notification of payment received post the end of the quarter.

Lifting Date	Number of barrels	Amount Received	Price per barrel
8 June 2018	72,722	\$65,948	A\$90
10 July 2018	53,329	\$41,730	A\$94
Total		\$107,678	

Table 2: Royalties received by Fitzroy during the June Quarter.

Pursuant to the royalty agreement with Buru, Fitzroy receives a 2% net royalty on production from the relevant permits.

4. Shareholders

Following the finalisation of the buy-back Fitzroy has 88,450,859 ordinary shares on issue, held by 892 registered shareholders.

B. Projects and Assets

1. Royalty deeds:

Fitzroy holds royalty interests in several permits in the Canning Basin originally acquired via 2 separate Royalty Deeds, the Canning Basin Royalty Deed and the Lennard Shelf Royalty Deed.

The map below shows the location of all the Company's royalty interests with those acquired under the Canning Basin Royalty shown in light blue and with those shown in dark blue being the areas acquired under the Lennard Shelf Royalty. The map reflects the ownership of the permits prior to completion of the Roc Oil transaction.

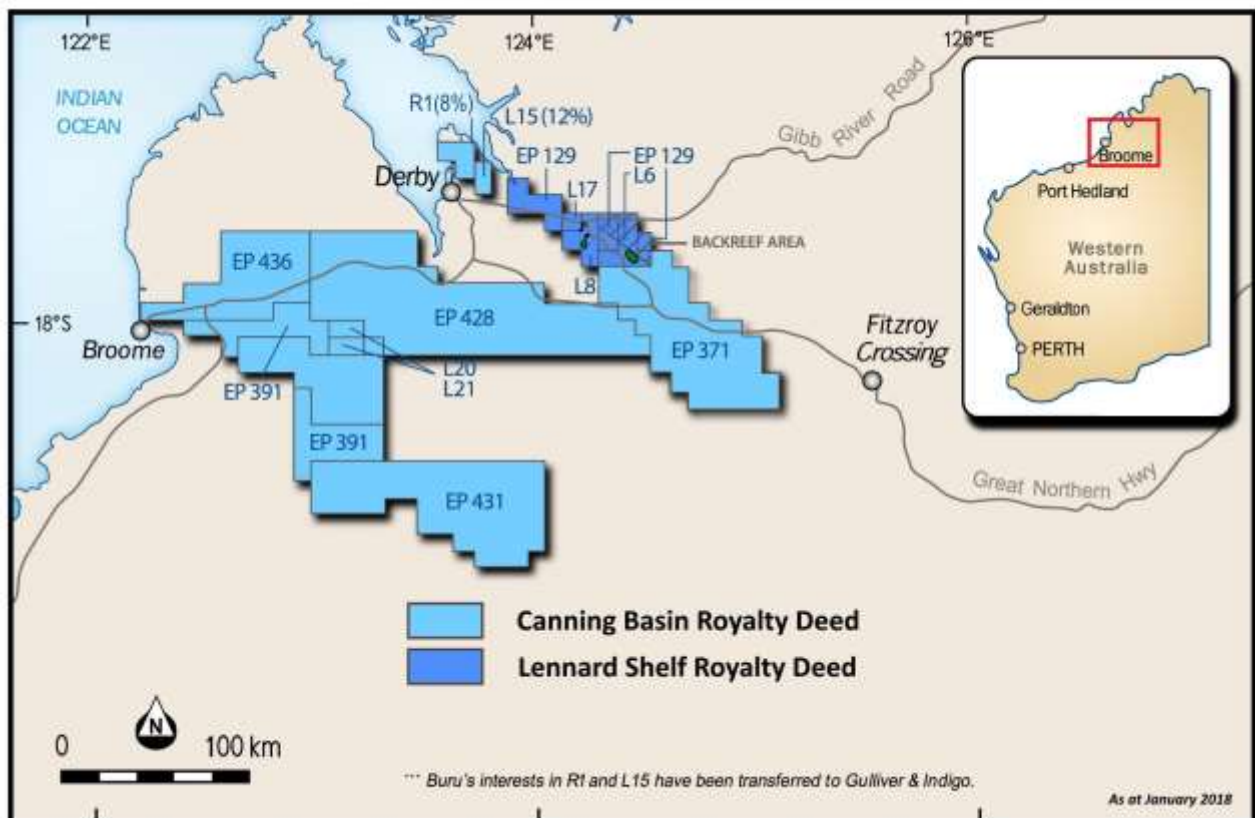


Figure 1: Map of Tenements over which Fitzroy has a royalty (prior to completion of the transformational transaction with Roc Oil announced by Buru on 21 May 2018 and the transfer of interests in R1 and L15 discussed below).

2. Announcements by Buru Energy Limited (ASX: BRU):

Roc Oil Transaction

On 21 May 2018 Buru announced that it *“... has entered into two transformational transactions with Roc Oil (Canning) Pty Limited (Roc Oil) in relation to its Canning Basin oil production and exploration assets...”*

The transaction highlights include:

- *“...Roc Oil has agreed to buy a 50% interest in the Ungani production licences L20 and L21 (the Ungani Oilfield) for a total cash payment of \$64 million (Ungani Sale).*
- *The parties have also agreed that Roc Oil will acquire a 50% interest in exploration permits EP 391, EP 428 and EP 436 (Permits) by paying \$20 million of a \$25 million exploration program of up to four wells (Farm-in Transaction).*
- *The Farm-in Transaction does not include the Laurel Formation unconventional gas accumulation within the Permits (Unconventional Gas Assets) which will remain 100% owned by Buru. The Unconventional Gas Assets include the Yulleroo Gasfield.*
- *Buru will remain as operator of the Ungani Oilfield, the Permits and the Unconventional Gas Assets.*

Roc Oil is a wholly owned subsidiary of Roc Oil Company Limited (ROC), an Australian based company with assets in China and Malaysia. ROC is a ... wholly owned subsidiary of Fosun International Limited, listed on the Hong Kong Stock Exchange...”

Upon completion of the transaction, Fitzroy notes that there will be no change to its royalty interests. Fitzroy's interests in EP 371 and EP431 and R1 and R15 which also fall under the Canning Basin Royalty Deed and its interests in EP 129, L6, L8 and L 17 which fall under the Lennard Shelf Agreement are not affected by the Ungani sale.

Buru has noted that this transaction will allow it to undertake a drilling program of up to 4 wells in the 2018 and 2019 drilling season. Success in any of these wells can be expected to have a positive impact on Fitzroy, as Fitzroy will be entitled to a royalty from any resulting production from such wells.

Production Update

Buru made a number of operational updates during the quarter (and also post quarter updates). On 25 July Buru announced in its Quarterly Activities Report:

“...Production from the field recommenced on 3 May with production for the quarter totaling ~112,800bbls (gross) for the 59 days on production, an average of ~1,900 bopd despite being impacted by well tests and well operations...”

Shareholders are urged to read the full text of all announcements made by Buru.

3. Exploration, development and production activities:

Fitzroy is currently negotiating with Royalco's independent director, Mr Geoff Barker, in relation to the Weeks Royalty sales process currently being conducted by Royalco. On 9 July 2018 Royalco announced that it has received and evaluated multiple offers for the Weeks Royalty including a non-binding indicative proposal from Fitzroy. The Fitzroy proposal included a valuation for the Weeks Royalty of \$6.6m which is said to be materially higher than the other offers received under the sale process. Discussions between Fitzroy and Royalco are ongoing and incomplete and may or may not lead to a transaction.

4. Petroleum tenement and farm-in agreement information:

Canning Basin Royalty Deed:

EP or PL #	Date Issued	Expiry	Area (km2)	Registered Holder
EP 391	1 Feb. 2015	31 Jan. 2024 ¹	2,274.7736 (26 blocks)	Buru Energy Limited
EP 371	31 July 2014	30 July 2023	3,663.2577 (45 blocks)	Diamond Resources (Canning) Pty Ltd (50%)/ Diamond Resources (Fitzroy) Pty Ltd (50%)
EP 428	31 July 2014	30 July 2023	6,431.9741 (79 blocks)	Buru Energy Limited
EP 431	31 July 2014	30 July 2023	4,211.4604 (52 blocks)	Buru Energy Limited
EP 436	31 July 2014	30 July 2023	2,404.1372 (30 blocks)	Buru Energy Limited
L20	2 July 2015	-	162.7085 (2 blocks)	Buru Energy Limited
L21	2 July 2015	-	162.6399 (2 blocks)	Buru Energy Limited
R 1 ²	11 Oct 2016	10 Oct 2021	245.1571 (3 blocks)	Gulliver Productions Pty Ltd (85.23%) and Indigo Oil Pty Ltd (14.77%)
L 15	1 April 2010	31 March 2031	163.46 (2 blocks)	Gulliver Productions Pty Ltd (85.40%) and Indigo Oil Pty Ltd (14.60%)

Table 3: Schedule of Tenements under the Canning Basin Royalty Deed (prior to completion of the transformational transaction with Roc Oil announced by Buru on 21 May 2018 and the transfer of interests in R1 and L15 discussed below).

¹ The termination dates for EP's 391, 371, 428, 431 and 436 are subject to termination, by an Act of the Parliament of Western Australia, of the State Agreement dated 7 November 2012. This Act has been approved by the Western Australian Legislative Assembly and has now proceeded to the Western Australian Legislative Council for final approval. The current termination dates as recorded by the WA Department of Mines, Industry Regulation and Safety are 31 January 2020 for EP 391 and 30 July 2019 for the other 4 EP's.

² Indigo Oil's interest in R1 and L15 are in the process of being transferred to Gulliver Productions Pty Ltd which will then own 100% of each. Gulliver Productions is a wholly owned subsidiary of Key Petroleum Ltd (ASX: KEY) and as per Key Petroleum's announcement dated 14 May 2018, Gulliver Productions is to be acquired by Rey Resources Ltd (ASX: REY).

Lennard Shelf Royalty Deed:

EP or PL #	Date Issued	Expiry	Area (km2)	Held by
EP 129 ³	18 March 2016	17 March 2023	652.9955 (8 blocks)	Buru Energy Limited
L 6	19 May 2006	18 May 2027	407.9 (5 blocks)	Buru Energy Limited
L 8	19 May 2006	18 May 2027	326.3084 (4 blocks)	Buru Energy Limited
L 17	10 April 2013	Indefinite as per the terms of the license dated 10 April 2013	81.6 (1 block)	Buru Energy Limited

Table 4: Schedule of Tenements under the Lennard Shelf Royalty Deed.

EP = Exploration Permit, PL = Production Licence (e.g. L20, L21 etc).

5. Information Pursuant to Listing Rule 5.4.3:

In accordance with ASX Listing Rule 5.4.3, but noting its several royalty interests as described above, Fitzroy advises that:

- 1) No petroleum tenements were held at the end of the Quarter;
- 2) No petroleum tenements were acquired or disposed of during the Quarter;
- 3) The beneficial percentage interests held in farm-in or farm-out agreements at the end of the Quarter was nil; and
- 4) The beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the Quarter was nil.

Malcolm McComas – Chairman

Dated: 25 July 2018

³ Fitzroy is monitoring the activities on the ‘Backreef Area’ of EP 129 and L6, particularly those of Emperor Energy Ltd (ASX: EMP) (formerly Oil Basins Ltd). It is understood that Buru holds 100% of the Backreef Area on trust for Emperor Energy Ltd due to the completion of the drilling of the East Blina-1 well on 31 October 2012 in accordance with the ‘Backreef Play Agreement’ dated 30 October 2008. Fitzroy is currently in negotiations with Buru regarding the terms of a deed of covenant proposed to be entered into by the beneficial owners of the Backreef Area, to support Fitzroy’s royalty interest. Until such time as a deed of covenant is executed, the contractual relationship governing the 3% royalty obligation (which is registered against EP 129 and L6) is between Fitzroy and Buru alone.

Important

Certain information in this report refers to the statements, intentions or opinions of Buru Energy Ltd (ABN 71 130 651 437, ASX Code: BRU) and is based on public statements by it. Statements have been attributed to Buru Energy Ltd where applicable. Petroleum production targets announced by Buru Energy Ltd are subject to risks, uncertainties and other factors that may cause Fitzroy's actual results, performance or achievements to differ from those suggested or referred to in this report and regard should be given to Buru's statements and other announcements concerning the risks, uncertainties and other factors that may cause Buru to not meet production targets or result in delays meeting those targets. As and when Fitzroy becomes aware of information concerning it in connection with its royalty and other assets then Fitzroy intends to comply with its continuous disclosure obligations under Australian law. Information about specified events or matters that may have some connection with Fitzroy's royalty assets is often being made known or generally available by Buru Energy Ltd (ABN 71 130 651 437, ASX Code: BRU) or other listed entities, and other information may consist of readily observable matters. Market participants and investors making or drawing their own deductions, conclusions or inferences from any other company's ASX announcements do so at their own risk.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Fitzroy River Corporation Ltd

ABN

75 075 760 655

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	42	121
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(126)	(507)
1.3 Dividends received (see note 3)		
1.4 Interest received	7	50
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(77)	(336)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments	(65)	(1,132)
(d) other non-current assets		

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	(65)	(1,132)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)	(5)	(464)
3.10 Net cash from / (used in) financing activities	(5)	(464)

Other relates to share buy backs

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,478	4,268
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(77)	(336)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(65)	(1,132)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(5)	(469)
4.5 Effect of movement in exchange rates on cash held		
4.6 Cash and cash equivalents at end of period	2,331	2,331

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	2,331	2,478
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,331	2,478

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

66

Director and company secretarial fees

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

Mining exploration entity and oil and gas exploration entity quarterly report

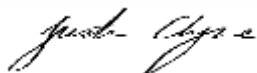
8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	130
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	130

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



25 July 2018

Sign here:
(Director/Company Secretary)

Date:

Print name:Justin Clyne.....

Note-++

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.