

Quarterly Activities Report (Quarter ended 30 September 2018)

Highlights:

- **Highlights in relation to Buru Royalty**
 - Receipt of a \$65,948 royalty from Buru for 72,722 bbls of oil sold in the prior quarter;
 - Payment due in late October from Ungani production of 105,000 bbls sold from 2 separate liftings in the in the current quarter; and
 - Buru announces next lifting scheduled for 20 October of 75,000 bbls.
- **Highlights in relation to Exploration Permits and Production Licences relating to Buru Royalty**
 - Buru completes transformational transaction in relation to some of the Exploration Permits and Production Licences with Roc Oil over which FZR has a royalty.
- **Highlights in relation to Capital Management**
 - Commencement of a second On-Market Share Buy-back.

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

A) Corporate:

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

Date:	Announcement
9 July	Update on Sale Process for Weeks Royalty – Proposal Received (released through Royalco Resources Ltd ASX: RCO)
25 July	Quarterly Activities and Cashflow Reports
9 August	On Market Buy-Back and Appendix 3C
6 September	Weeks Royalty Sales Process – FZR Withdraws Proposals (released through Royalco Resources Ltd ASX: RCO)
24 September	Full Year Statutory Accounts

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

Registered Office: Suite 6.02, Level 6, 28 O'Connell Street Sydney NSW 2000

Mail to: GPO Box 4626, Sydney NSW 2001

Tel: (02) 9048 8856 Website: www.fitzroyriver.net.au

2. Commencement of On-market Share Buy-back:

During the quarter on 9 August, the Company announced the introduction of a second on-market share buy-back of up to 8,845,000 shares which represents approximately 10% of the shares on issue prior to the commencement of the buy-back. Following the withdrawal of Fitzroy's proposals to acquire the Weeks Royalty from Royalco Resources Limited (ASX: **RCO**) (*refer ASX announcement of 6 September 2018*), the Board considers that its cash position at the end of the September quarter of \$2.27m (\$2.33m as at June 30) is more than it requires to execute its strategy in the next 12 months and that shareholders would benefit from a second share buy-back in the current market environment.

The buy-back gives Fitzroy the flexibility to buy back the Company's ordinary shares in circumstances where it is beneficial to the efficient capital management of the Company. The buy-back is therefore dependent on market conditions, volumes, price and other relevant conditions from time to time. The buy-back may take place anytime up to 28 August 2019 unless terminated earlier.

As at 23 October, Fitzroy has bought back a total of 550,553 shares under the Buy-Back.

3. Royalties:

During the quarter, Fitzroy received a royalty payment from Buru for the quarter ended 30 June 2018 of \$65,948 based on the sale of 72,722 bbls of production in June at a price of AUD\$90.28 per barrel. The Company also notes the announcements by Buru of further liftings during the quarter as follows:

- 11 July - lifting of 53,329 bbls of production on 10 July at a price of AUD\$93.90 per barrel; and
- 20 August - lifting of 51,962 bbls of production on 16 August at a price of AUD\$88.38 per barrel.

Fitzroy will receive payment for these two liftings from Buru and Roc Oil in late October. Pursuant to the royalty agreement, Fitzroy receives a 2% net royalty.

4. Shareholders

Fitzroy has 88,144,859 ordinary shares on issue (prior to the cancellation of shares already bought under the buy-back), held by 879 registered shareholders (as at 23 October 2018).

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.

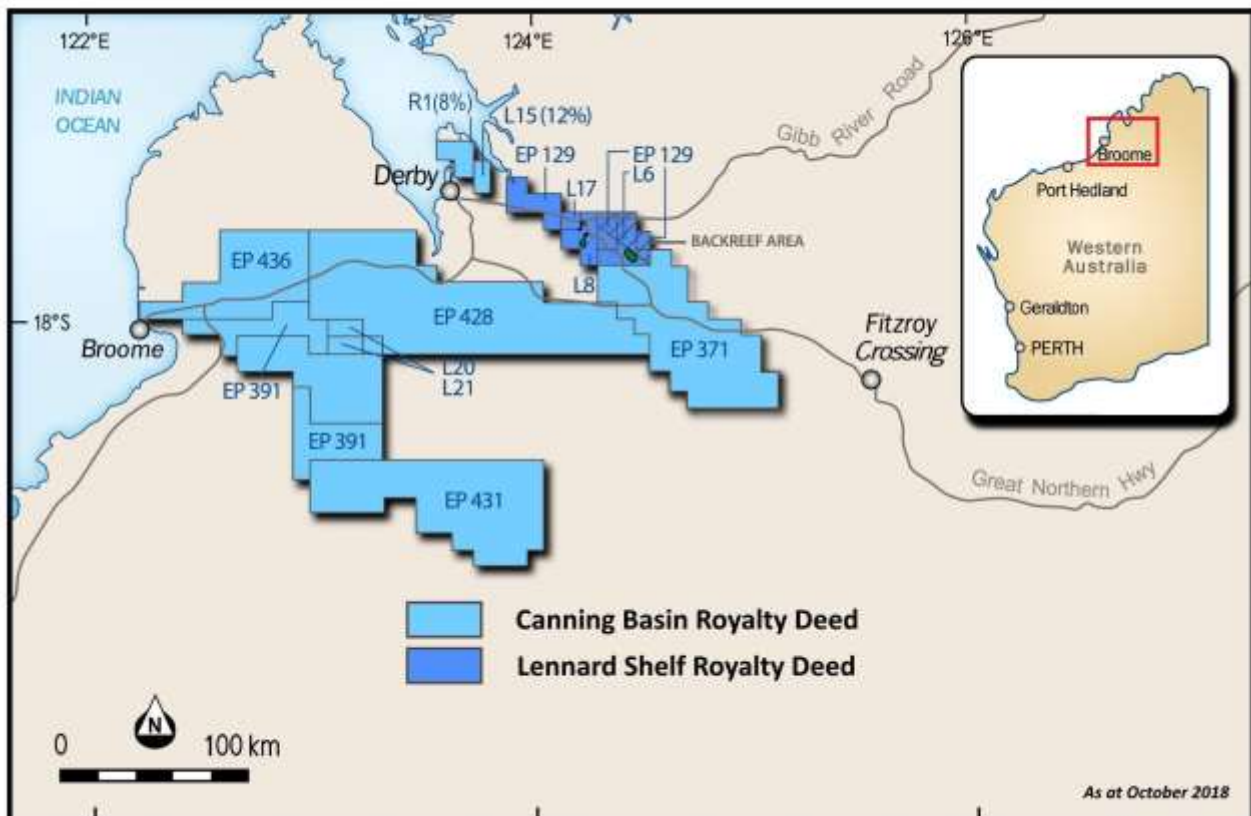


Figure 1: Map of Tenements over which Fitzroy has a royalty.

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

In its Quarterly Activities Report released to the market on 15 October, Buru provided an overview of highlights in relation to the completion of the Roc Oil transaction first announced to the ASX on 21 May 2018 and Ungani Oilfield Production and development for the September quarter as follows.

“Corporate:

- *DMIRS approval and registration of the sale of the 50% interest in the Ungani Oilfield to Roc Oil for \$64 million and receipt of the final payment from Roc Oil.*

- *Subsequent to the termination of the State Agreement, completion of the farm-in agreement with Roc Oil for 50% interest in exploration permits EP 391, EP 428 and EP 436 with Roc Oil to pay \$20 million of a \$25 million exploration program of up to four wells.*

There is no change to Fitzroy's royalty interests. Buru noted at the time of announcing the transaction that this transaction will allow Buru 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.

3. Exploration, development and production activities:

Fitzroy did not have any direct activities of this nature during the Quarter however the Company continues to actively seek investment opportunities by way of additional royalty interests, free carried interests and minor equity positions. The Company continues to watch with interest the outcome of the Weeks Royalty sales process currently being conducted by Royalco Resources Limited (ASX: **RCO**) of which Fitzroy is no longer a bidder. As noted in Fitzroy's Annual Report released post the end of the quarter, Fitzroy withdrew its offer as the Company had no confidence that it would be approved by the shareholders of Royalco entitled to vote at the general meeting to be convened to approve the sale.

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 (50%) Roc Oil (Canning) Pty Limited (50%)
L21	2 July 2015	-	162.6399 (2 blocks)	Buru Energy Limited (50%) Roc Oil (Canning) Pty Limited (50%)
R 1	11 Oct 2016	10 Oct 2021	245.1571 (3 blocks)	Gulliver Productions Pty Ltd
L 15	1 April 2010	31 March 2031	163.46 (2 blocks)	Gulliver Productions Pty Ltd

Table 2: Schedule of Tenements under the Canning Basin Royalty Deed.

¹ Termination dates for EP's 391, 371, 428, 431 and 436 following the termination of the State Agreement dated 7 November 2012. The 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, which are expected to be updated shortly.

Lennard Shelf Royalty Deed:

EP or PL #	Date Issued	Expiry	Area (km2)	Held by
EP 129 ²	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	81.6 (1 block)	Buru Energy Limited

*Table 3: Schedule of Tenements under the Lennard Shelf Royalty Deed.
(# EP = Exploration Permit, L = 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: 23 October 2018

² 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 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	66	66
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(137)	(137)
1.3 Dividends received (see note 3)		
1.4 Interest received	10	10
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	(61)	(61)

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

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 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	-	-

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)		
3.10 Net cash from / (used in) financing activities	-	-

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	2,331	2,331
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(61)	(61)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held		
4.6 Cash and cash equivalents at end of period	2,270	2,270

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 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	2,270	2,331
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)	2,270	2,331

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

50

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

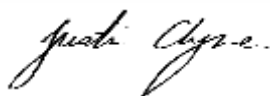
8.	Financing facilities available	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities		
	Credit standby arrangements		
8.3	Other (please specify)		
8.4	Include below a description of each facility above, including the lender, interest rate and whether 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.



23.10.18

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.