

Quarterly Activities Report (Quarter ended 30 June 2019)

Highlights:

- **Highlights in relation to Buru Royalty**
 - Receipt of \$112,273.45 in royalties during the quarter from Buru for 139,965 bbls from liftings of oil sold in January and March;
 - Receipt of \$69,770.15 in royalties post the end of the quarter for 73,780 bbls sold from a lifting of oil in May during the quarter; and
 - Total royalties for the last 12 months of \$357,934.
- **Highlights in relation to Exploration Permits and Production Licences relating to Buru Royalty**
 - Ungani Oilfield production at a daily rate for the quarter of ~970 bopd;
 - Oil sales for the quarter of ~74,000 barrels (gross) from a lifting on 23 May;
 - Facility upgrade works on track to accommodate anticipated production from new wells; and
 - Buru updates its exploration program for 2019.
- **Highlights in relation to Capital Management**
 - 659,011 Shares purchased pursuant to the On-Market Share Buy-back during the quarter.

Fitzroy River Corporation Ltd (**Fitzroy, FZR or Company**) is pleased to report on its activities during the quarter ended 30 June 2019.

A) Corporate:

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

<u>Date:</u>	<u>Announcement:</u>	<u>Number of Shares by month:</u>
<u>Share Buy-Back Announcements:</u>		
<u>Shares Bought back:</u>		
<u>April:</u> 1 st & 15 th	Daily Share Buy-Back Notices	19,600
<u>May:</u> 2 nd , 16 th & 23 rd	Daily Share Buy-Back Notices	548,611
<u>June:</u> 4 th , 12 th & 25 th	Daily Share Buy-Back Notices	<u>90,800</u>
		<u>659,011</u>
<u>Shares Cancelled:</u>		
<u>April:</u> 4 th	Cancellation of Shares	247,228
<u>May:</u> 8 th	Cancellation of Shares	46,100
<u>June:</u> 11 th	Cancellation of Shares	<u>520,111</u>
		<u>813,439</u>
<u>Date:</u>	<u>Other ASX Announcements:</u>	
9 April	Sale of Royalco's Weeks Royalty Interest	
29 April	Quarterly Activities Report	
29 April	Quarterly Cashflow Report	

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

2. Progress Continues under the On-market Share Buy-back:

During the quarter, the Company made significant progress under its on-market share buy-back announced to the ASX on 9 August 2018, in which Fitzroy aims to acquire up to 8,845,000 shares which represents approximately 10% of all shares on issue prior to the commencement of the buy-back. During the quarter, the Company bought back a total of 659,011 shares and has purchased a further 103,447 shares since the end of the quarter. Total shares purchased under the buy-back to date is 1,999,458 for a total consideration of just over \$375,000. The buy-back remains in place until 28 August 2019 unless terminated earlier.

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.

3. Royalties:

During the quarter, Fitzroy received a royalty payment from Buru for the quarter ended 31 March 2019 of \$112,273.45. This is based on the sale of 139,965 bbls of production. This was based on a price of USD\$53.6590 for the sale of 69,686.71 bbls in January and a price of USD\$60.3720 for the sale of 70,278.19 bbls in March. Subsequent to the end of the quarter, Fitzroy received a further \$69,770.15 based on the sale of 73,779.83 bbls of production from a lifting on 23 May at a price of USD\$65.5180 per barrel.

4. Shareholders

Fitzroy has 86,451,401 ordinary shares on issue held by 854 registered shareholders (as at 30 July 2019).

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 Deed shown in light blue and with those shown in dark blue being the areas acquired under the Lennard Shelf Royalty Deed.

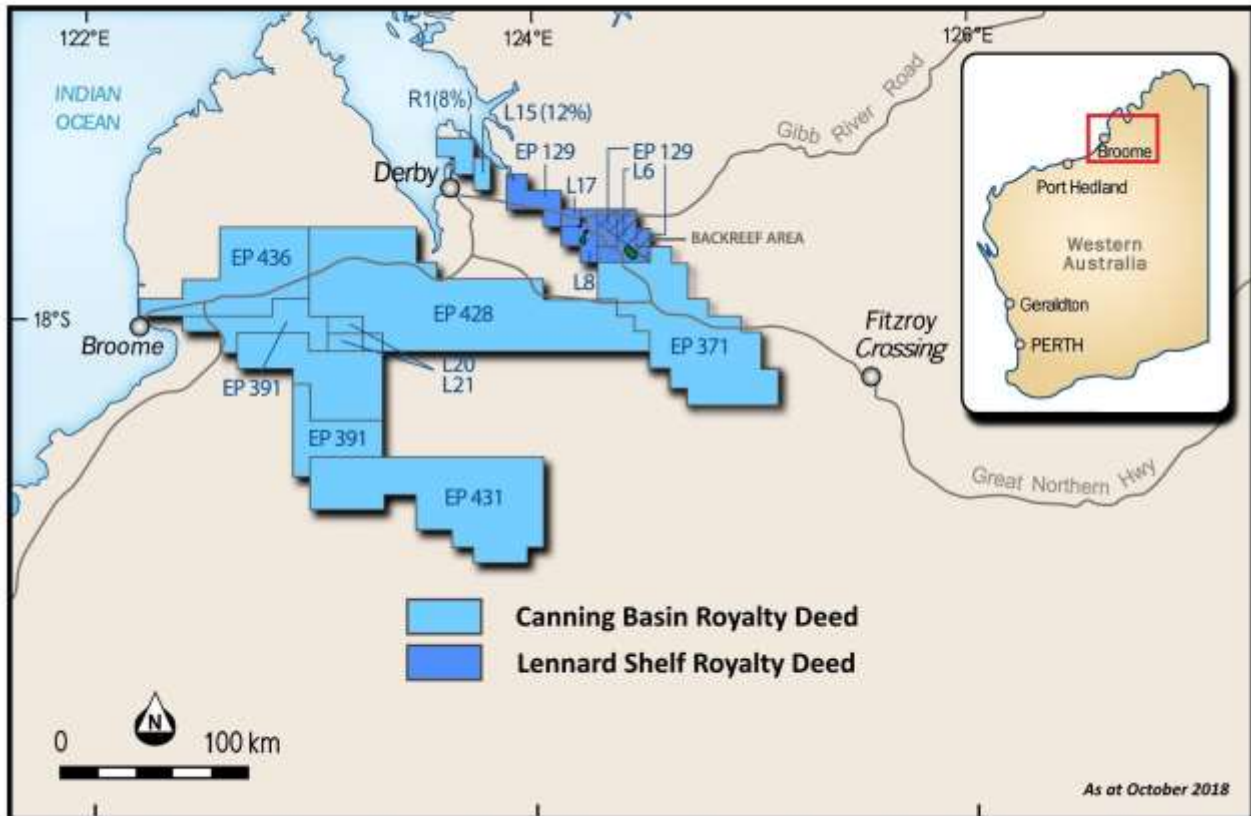


Figure 1: Map of Tenements over which Fitzroy has a royalty.

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

During the quarter, Buru reported the following progress on production, development and exploration.

On 6 May, Buru announced that it had spudded the Ungani 6H development well. The well encountered a number of operational problems relating to rig downtime and repairs, dealing with lost circulation zones and the difficult drilling conditions in the Ungani shale section immediately above the reservoir. Buru announced that it would attempt a sidetrack well. In its update on 9 July, Buru announced that the sidetrack operations were ultimately unsuccessful and the well will be suspended and the rig moved. The planned Ungani 7H will be deferred by the joint venture in light of the issues encountered in drilling the Ungani 6H while the well design is reviewed and to allow sufficient time to implement any changes to the well design from the learnings acquired in drilling the 6H well. The 7H well location is accessible during the wet season which provides the joint venture with flexibility on timing. The NGD 405 rig was then mobilised to the Adoxa 1 well on EP 428, over which FZR has a royalty, which spudded post quarter's end on 24 July.

In its Quarterly Activities Report released to the ASX on 25 July, Buru states, in part: *“...Adoxa 1 is situated on the regionally significant Yakka Munga structure and planned to be drilled to a total depth of some 2,400 metres with its principal objective being conventional oil from the Reeves Formation sandstones from which oil was tested in the Ungani Far West 1 well. The Reeves Formation is an emerging play in the Canning Basin and the Reeves section in the Adoxa 1 well is prognosed to be over 700 metres thick, with a substantial part of the section never previously penetrated in the Basin...”*.

2.1 Ungani Oilfield Production – L20/L21:

Production during the quarter was ~88,000 barrels (gross). The average rate of production was ~970 bopd from Ungani 1, Ungani 2, Ungani 4ST1, Ungani 5 and Ungani Far West 1 throughout the period with ongoing minor well interventions and maintenance being carried out. Buru notes that production will be confined to these currently producing wells until the Ungani 6 well is brought on production later this year.

Buru also notes that further upgrades to the Ungani Production Facility are progressing with upgrade operations on time and budget. The production facility is being debottlenecked and expanded in anticipation of the expected increased oil production from Ungani 6H and Ungani 7H, as well as the increased water from the field generally.

2.2 Lennard Shelf (EP 129):

Buru announced during the quarter on 11 April, that the independent evaluation report on the wet gas/oil Butler Sand prospect by ERC Equipoise Pty Ltd has confirmed the potential for substantial resources in this conventional sand prospect that lies partly in EP 487 and EP 129 (note that FZR only has a royalty over EP 129).

In its Quarterly Activities Report, Buru advised that no further work has been undertaken on the Butler prospect as the program delays mean it is unlikely to be able to be drilled in 2019.

2.3 Exploration:

In terms of exploration, Buru has outlined its objectives in its Quarterly Activities Report, in summary, as follows:

2.3.1 Rafael 1 (EP428 - Buru Energy 50% and operator)

“The Rafael prospect lies in the southern part of EP 428 and is a large robust closure mapped on good quality 2D seismic data with conventional oil targets. The drill site and access road for the well have now been completed and the final well proposal has been presented to the Joint Venture and is currently under review. If Roc decline to participate in the well and it is drilled by Buru as a 100% “sole risk” operation, Roc will be required to pay an agreed penalty if they wish to participate in a subsequent appraisal or development program.”

2.3.2 Miani 1 (L8 - Buru Energy 100%)

"... The Miani prospect is well defined on 3D seismic and is interpreted to be a hydrothermal dolomite sag feature prospective for conventional oil. There are a number of well defined follow up features defined on the 3D seismic that would be attractive targets if Miani 1 discovers hydrocarbons.

The Miani 1 well site has environmental and heritage clearances and construction of the site and access road have commenced..."

2.3.3 Ungani North 1 (L20 - Buru Energy 50% and operator)

"...As part of the review of the potential of the wells in the Ungani area the Joint Venture has agreed to undertake further appraisal work on the Ungani North 1 well. During the quarter the existing completion string has been removed using the Buru Jacking Platform in preparation for the upcoming re-perforation of the Ungani Dolomite oil zone..."

2.3.4 Yulleroo Gasfield (EP 391 & EP 436 - Buru Energy 50% and operator of the conventional gas assets / 100% of the unconventional gas assets)

"...Buru has full title to the extensive tight wet gas resources of the Laurel Formation in its permits through the central part of the Fitzroy Trough of the Canning Basin...The most well developed of these resources is the Yulleroo Gasfield where four wells have defined a substantial gas accumulation with a number of zones identified from which there is potential for conventional gas production...A detailed program to evaluate these conventional gas resources is currently being finalised..."

3. Investment Highlights:

3.1 Byron Energy Limited (ASX: BYE):

Fitzroy continues to monitor its investment in Byron Energy Limited (**ASX: BYE, Byron or Byron Energy**). Fitzroy holds over 18.8m shares in Byron Energy. Byron's production and cash position remains strong. Byron's share of oil and gas production (net sales volume) for the quarter from the SM71 and SM58 E1 wells was 112,302 barrels of oil and 210,864 mmbtu of gas. Net revenue to Byron after quality adjustments, transportation charges and royalties was US\$7.6m. The SM74 prospect well which was drilled in mid-May was plugged and abandoned post the end of the quarter. Several new prospect opportunities have been identified particularly on SM58 where an initial hole will spud in mid-August.

During the quarter on 9 May 2019, Byron announced that it has purchased a production platform comprising of two decks for future development for a total cost of US\$1.0m. Byron expects that by buying this platform as opposed to building a new one, the cost savings will be between US\$4m and US\$6m and a time saving of 9 months. Byron plans to use the platform on SM58 if the future SM58 #1 well is a commercial discovery or alternately, other discoveries in the future.

3.2 Royalco Resources Limited (ASX: RCO)

During the quarter on 9 April, Royalco announced that it had signed a conditional Deed of Assignment for the sale of the Company's 1.0% beneficial interest in the Weeks Royalty to Royal Energy Pty Ltd (**Royal Energy**) subject to Royal Energy completing its funding requirements and Royalco obtaining shareholder approval for the transaction.

Subsequent to the quarter's end, on 1 July Royalco announced that Royal Energy had not satisfied the funding condition and Royalco had terminated the Deed of Assignment. Fitzroy notes that Royalco is currently considering all options in relation to the Weeks Royalty.

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	2,274.7736 (26 blocks)	Buru Energy Limited Roc Oil (Canning) Pty Limited
EP 371	31 July 2014	30 July 2023	3,663.2577 (45 blocks)	Diamond Resources (Canning) Pty Ltd
EP 428	31 July 2014	30 July 2023	6,431.9741 (79 blocks)	Buru Energy Limited Roc Oil (Canning) Pty 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 Roc Oil (Canning) Pty 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 2022	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 (above): Schedule of Tenements under the Canning Basin Royalty Deed.

Lennard Shelf Royalty Deed:

EP or PL #	Date Issued	Expiry	Area (km2)	Held by
EP 129 ¹	18 March 2016	17 March 2024	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: 31 July 2019

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

¹ 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.

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.