

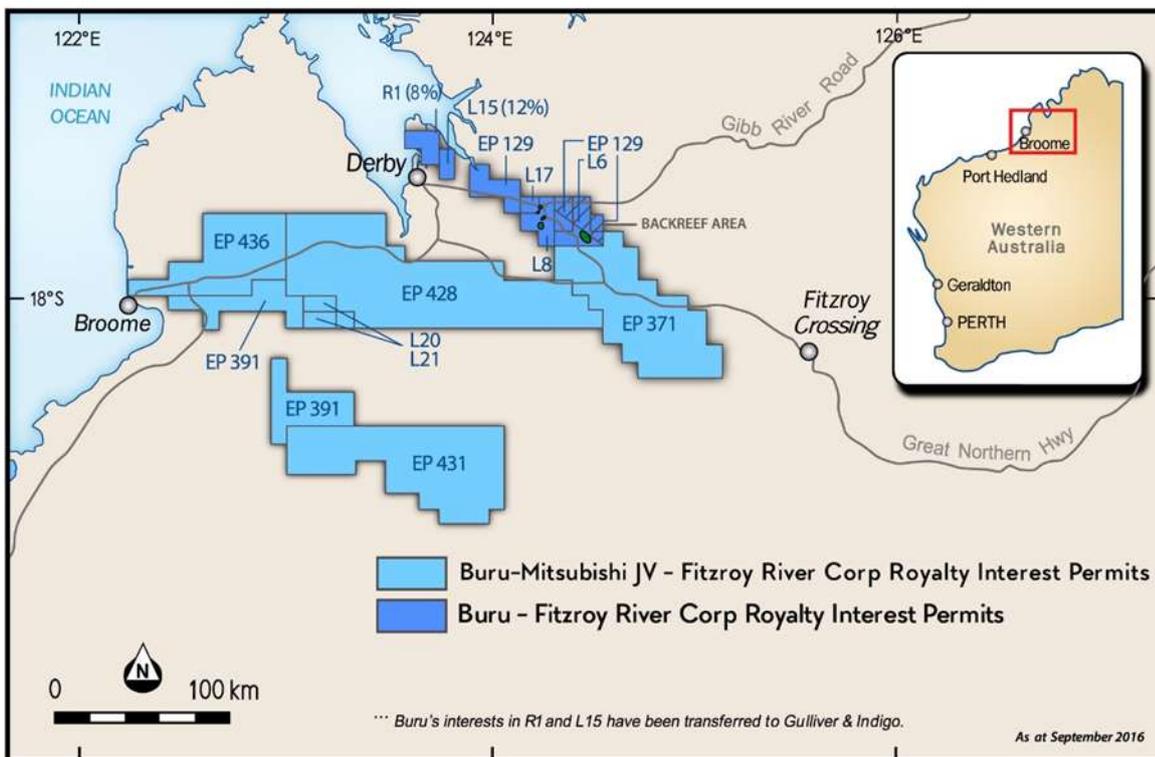
Quarterly Activities Report (Quarter ended 30 September 2016)

Fitzroy River Corporation Ltd ('Fitzroy', 'FZR' or 'Company') reports on its activities during the 3 months ended 30 September 2016.

Fitzroy holds royalty interests in several permits in the Canning Basin (via 2 separate Royalty Deeds).

A) Canning Basin Royalty - Canning Basin (Western Australia)

The map below shows the location of all of the Company's royalty interests, including those under the Canning Basin Royalty shown in light blue and with those shown in dark blue being the areas are under the Lennard Shelf Royalty discussed in section B) below.



The Company believes that the royalties have the potential to become important income producing assets for Fitzroy.

EP 391, EP 431, EP 436, EP 371, EP 428 (2% Royalty) – Buru-Mitsubishi JV

These 5 Permits as shown in the map on page 1 are currently held 50% by Buru Energy Ltd ('Buru') and 50% by either Diamond Resources (Fitzroy) Pty Ltd ('DRF') (EP 391, EP 431 and EP 436), or Diamond Resources (Canning) Pty Ltd ('DRC') (EP 371 and EP 428). DRF and DRC are wholly owned subsidiaries of Mitsubishi Corporation ('Mitsubishi'). DRF and DRC are currently each responsible, as to 50%, for the obligations and liabilities under the 26 August 2006 'Canning Basin Royalty Deed' relating to these 5 Permits. Mitsubishi has guaranteed to Fitzroy the performance of DRF's and DRC's obligations.

These 5 permits are the 5 State Agreement permits (discussed extensively in previous reports by Fitzroy) and are exempt from the requirement to relinquish 50% of the blocks as part of the renewal application process.

Production Licences L 20 (formerly STP-PRA-0004) which covers 2 blocks (6694 and 6695) and L 21 (formerly STP-PRA-0005) which covers a further 2 blocks (6766 and 6767) both previously fell within the area of EP391 and are now also subject to the Canning Basin Royalty. Fitzroy's royalties over these two production licences have been registered. The production licences authorise the joint venture to produce oil from the Ungani field and will remain in force indefinitely, subject to the usual conditions applying to these types of licences, including the requirement to pay a net wellhead royalty to the State.

Following on from Buru's announcement in the previous quarter titled "Laurel Formation Tight Gas Independent Resources Review (18 April 2016), during the quarter on 6 September 2016 Buru announced the approval of a key Native Title Agreement with an announcement which stated in part:

"...the Buru/Energy/Diamond Resources Joint Venture has taken a significant step forward for the further appraisal and development of its potentially world class tight wet gas accumulation in the Canning Basin with the execution of a key Native Title Agreement with the Yungngora Aboriginal Corporation RNTBC...

The agreement covers land within Exploration Permit 371..."

Royalty Payments Received during the Quarter

During the quarter the Company did not receive any royalty payments or adjustments from previous quarters.

Retention Lease R1 (2% Royalty on 8% participation interest)

Fitzroy's 8% participating interest in R1 was sold together with various other Canning Basin Assets in 2006. R1 is over 3 blocks and the renewal application lodged on 18 February 2016 by Gulliver Productions Pty Ltd was approved on 10 October 2016 with a new expiry date of 9 October 2021.

Pursuant to a Deed of Covenant dated 20 December 2013, Buru transferred its 43.28% interest in R1 to Gulliver Productions Pty Ltd ('Gulliver', a subsidiary of Key) and Indigo Oil Pty Ltd ('Indigo') as part of an asset swap and Buru's 'ongoing acreage rationalisation program'. Gulliver now holds 85.23% of R1 with the balance of 14.77% held by Indigo. Pursuant to the Deed of Covenant Gulliver and Indigo both assumed all of the obligations and

liabilities of Buru under the Canning Basin Royalty Deed to the extent of their respective assigned interests thereunder.

Production Licence L15 (2% Royalty on 12% participation interest)

L15 (over 2 blocks) was granted on 1 April 2010 and expires on 31 March 2031.

Pursuant to a Deed of Covenant dated 20 December 2013 (which also relates to R1 as above), Buru transferred its 15.5% interest in L15 to Gulliver Productions Pty Ltd ('Gulliver', a subsidiary of ASX listed Key Petroleum Limited) and Indigo Oil Pty Ltd ('Indigo') as part of an asset swap and Buru's 'ongoing acreage rationalisation program'. Gulliver now holds 85.40% of L15 with the balance of 14.60% held by Indigo. Pursuant to the Deed of Covenant Gulliver and Indigo both assumed all of the obligations and liabilities of Buru under the Canning Basin Royalty Deed to the extent of their respective assigned interests thereunder.

B) Lennard Shelf Royalty - Canning Basin (Western Australia)

Royalty (3% of Well Head Value (net)) over EP 129 and L6 and L8 production and sales

No Blina oilfield royalty payments were received by Fitzroy from Buru during the Quarter and no payments are expected. In its Quarterly Activities Report released 25 January 2016 Buru stated that *"The Blina and Sundown Oilfields remained shut-in during the quarter. Maintenance and well inspections were continued together with further rehabilitation operations."*

EP 129 (Excluding Backreef Area)

The Lennard Shelf Royalty was created by a Royalty Deed dated 5 September 2006 over the entire area covered by EP 129, as well as over Production Licences L6 and L8 and was registered on 2 March 2007. EP 129 was reissued on 18 March 2016 with a new expiry date of 17 March 2021.

On 27 January 2015 Buru announced that it had commenced drilling operations on the Sunbeam 1 well located on EP 129 and in its final drilling report announced to the market on 9 February Buru stated drilling did not encounter any significant hydrocarbons and the well would be suspended for possible re-entry and deepening into the underlying Emanuel prospect during the coming dry season. There has been no significant update since that time.

EP 129 is subject to the Trident Energy farm in right to earn a 17.5% interest. Mitsubishi is entitled to an interest equal to Buru's interest.

Backreef Area of EP 129 and L6

Fitzroy is monitoring the activities on the 'Backreef Area' of EP 129 and L6, particularly those of Oil Basins Ltd. It is understood that Buru holds 100% of the Backreef Area on trust for Oil Basins 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. As previously announced, Fitzroy had some negotiations with Buru during 2013 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. As at Quarter end, the contractual relationship governing the 3% royalty obligation (which is registered against EP 129 and L6) is between Fitzroy and Buru alone.

L17

In April 2013, a new petroleum production licence L17 was granted to Buru. L17 is over a single block (block 6275, which was formerly part of EP129). L17 constitutes a 'Replacement Permit' under the Royalty Deed and in July 2013 Fitzroy applied to register the Lennard Shelf Royalty against L17 and on 19 May 2014 the registration application was approved.

C) Other Projects and Assets & Corporate Matters

Exploration, development and production activities

Fitzroy has not had any direct activities of this nature during the Quarter however, in addition to its capital management program, the Company continues to actively seek out investments in additional royalty interests, free carried interests and minor equity positions and related transactions.

Capital Management Review – On-Market Cash Offer for all Shares in Royalco Resources Limited

Subsequent to the end of the quarter, on 19 October, the Company announced an on-market cash offer for all of the shares in ASX listed Royalco Resources Limited (**Royalco**) (ASX: RCO) for which Fitzroy does not already own at a price of \$0.18 per share (**Offer**). The offer price of \$0.18 is the same price that Fitzroy paid during the quarter on 15 August to acquire an additional 8.628% stake in Royalco. Fitzroy currently holds a 14.936% interest in Royalco. The offer remains open for acceptance until 5 December 2016 unless the Company decides to extend the Offer prior to that date. As at the date of this quarterly report, the Company has not yet acquired any shares under the Offer and is awaiting Royalco's formal response to be announced to the market.

Petroleum tenement and farm-in agreement information

Canning Basin Royalty Deed:

EP or PL #	Date Issued	Expiry	Area (km2)	Held by (50% each unless otherwise stated)
EP 391	1 Feb. 2015	31 Jan. 2020	2,274.7736 (26 blocks)	Buru Energy Limited Diamond Resources (Fitzroy) Pty Ltd
EP 371	31 July 2014	30 July 2019	3,663.2577 (45 blocks)	Buru Energy Limited Diamond Resources (Canning) Pty Ltd
EP 428	31 July 2014	30 July 2019	6,431.9741 (79 blocks)	Buru Energy Limited Diamond Resources (Canning) Pty Ltd
EP 431	31 July 2014	30 July 2019	4,211.4604 (52 blocks)	Buru Energy Limited Diamond Resources (Fitzroy) Pty Ltd
EP 436	31 July 2014	30 July 2019	2,404.1372 (30 blocks)	Buru Energy Limited Diamond Resources (Fitzroy) Pty Ltd
L20	2 July 2015	-	162.7085 (2 blocks)	Buru Energy Limited Diamond Resources (Fitzroy) Pty Ltd
L21	2 July 2015	-	162.6399 (2 blocks)	Buru Energy Limited Diamond Resources (Fitzroy) Pty Ltd
R 1	10 Oct 2016	9 Oct 2021	245.1571 (3 blocks)	Gulliver Productions Pty Ltd (85.23%) Indigo Oil Pty Ltd (14.77%)
L 15	1 April 2010	31 March 2031	163.46 (2 blocks)	Gulliver Productions Pty Ltd (85.40%) Indigo Oil Pty Ltd (14.60%)

Lennard Shelf Royalty Deed:

EP or PL #	Date Issued	Expiry	Area (km2)	Held by
EP 129	18 March 2016	17 March 2021	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

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

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.

Shareholders

Fitzroy has 90,788,294 ordinary shares on issue, held by 946 registered shareholders.

Events Subsequent to Quarter's End

On-Market Cash Offer for All Royalco Shares:

There was one material event subsequent to the quarter's end being the Company's announcement on 19 October for an on-market cash offer for all of the shares on issue in Royalco Resources Limited (ASX: RCO) for which Fitzroy does not already own at a price of \$0.18 per share as referred to in section C above.

Dispatch of Bidder's Statements:

The Company confirms that the dispatch of the Bidder's Statement lodged with the ASX on 19 October 2016 to Royalco shareholders was completed late yesterday the 26th of October.

Malcolm McComas

Chairman

Dated: 27 October, 2016

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.