

**Update on court proceedings regarding proper construction
of the Canning Basin Royalty Deed ('Royalty Deed')**

Sydney, Thursday 12 December 2013

Fitzroy River Corporation Limited (the 'Company') announces that it has received the Defence and Counterclaim of the 4 Defendants in Supreme Court of Western Australia matter number CIV 2315 of 2013 ('Proceedings'). This is as anticipated and stated in the Company's quarterly report for the quarter ended 30 September 2013.

A detailed announcement about the Proceedings was made by the Company to the ASX on 26 August 2013.

In essence, the Defendants do not agree with the Company's position in respect to the Royalty Deed and assert that the Royalty Deed provides, or should be rectified to provide, for the payment of a net royalty to the Company.

At this stage, the Company believes that the action may be heard in the 3rd quarter of 2014.

Sebastian Hempel
Executive Director