

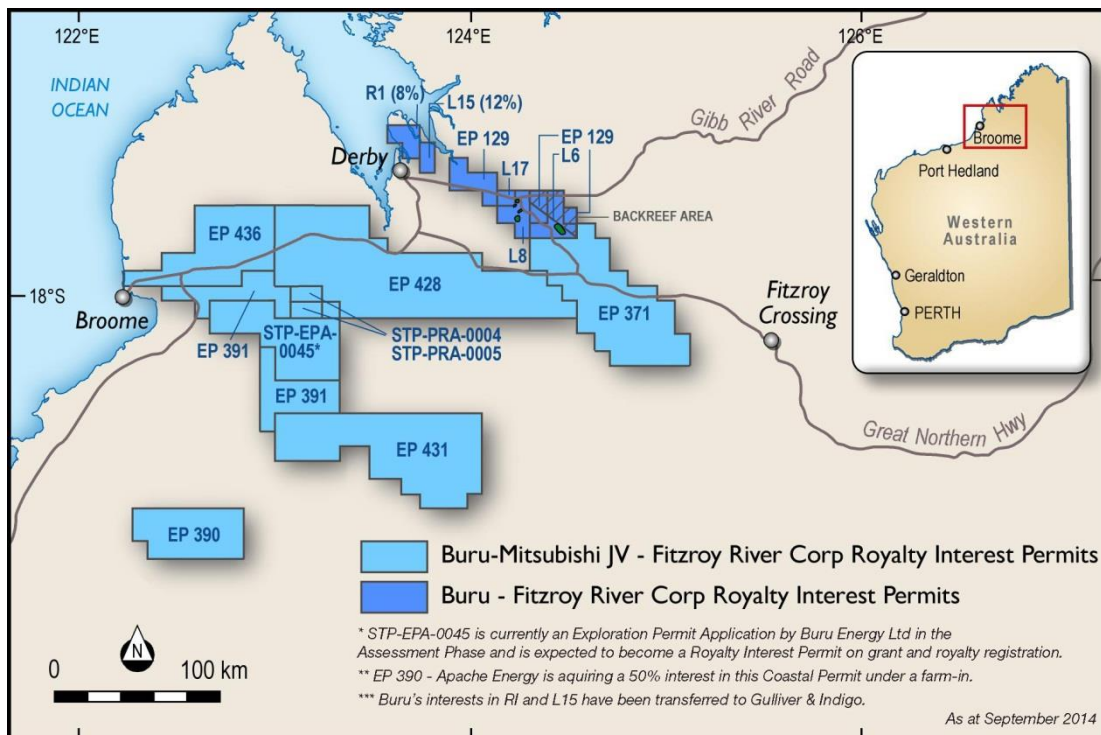
Quarterly Activities Report (Quarter ended 31 December 2014)

Fitzroy River Corporation Ltd ('Fitzroy', 'FZR' or the 'Company') reports on its activities during the 3 months ended 31 December 2014.

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 royalty interests, including those under the Canning Basin Royalty. Except for R1 and L15, the dark blue areas are under the Lennard Shelf Royalty discussed in section B) below.



The Canning Basin Royalty has the potential to become an important income producing asset of Fitzroy.

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

These 5 Permits as shown in the map above 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. See the discussion regarding EP 390 below, which has resulted in DRC and Buru having reduced equity (of 25% each) in EP 390.

Ungani Field production - EP 391 (R2) (2% Royalty on 100% participation interest)

Fitzroy continues to closely monitor relevant announcements concerning the Ungani Field that are made by Buru, particularly regarding its development and production plans. Buru announced on 13 December 2013 that oil production from the Ungani Field had recommenced. Crude oil is now trucked from Ungani to a storage facility at the Port of Wyndham.

During the quarter, Buru announced a number of results including:

- The encouraging preliminary results from the Ungani 1 workover (announced by Buru on 3 November 2014);
- The successful completion of the first stage of the production test of the Ungani North 1 well (announced by Buru on 12 November 2014) however on 27 November, in relation to the Ungani North 1 Well Test Update, Buru announced:

"...The fluid recovered to date is indicative of drilling fluid filtrate from the original drilling operations and is therefore not diagnostic as to potential reservoir recovery. These results need to be fully evaluated before further testing. Consequently the well will be temporarily suspended while these results are evaluated and a forward work program agreed with the Joint Venture..."

- That subsequent to the Phase 1 workover of Ungani 1ST1, the overall average field production rate is currently being constrained to ~1,250 barrels of oil per day which is the most efficient rate with the current transportation configuration. Buru noted that further production testing and pressure monitoring of both Ungani 1ST1 and Ungani 2 will be necessary to calibrate the dynamic modelling of the field, with the well performance currently exceeding modelling predictions (announced in Buru's Quarterly report for the period ended 30 September 2014).

Subsequent to the end of the quarter, on 20 January 2015, in relation to the Ungani test program, Buru's most recent update on Ungani stated:

"The DMP has approved the continuation of the test program at Ungani for a maximum of three months subject to a number of conditions in regard to the format of the testing program....The field is currently shut-in due to recent heavy rains affecting the access road..."

Fitzroy will continue to monitor and wait for further announcements in relation to further exploration on and production from the tenements over which it holds a royalty interest.

As at Quarter end, STP-PRA-0004 and 0005, the applications for Petroleum Production Licenses in respect of the Ungani Field (lodged in May 2012, and to be carved out of EP 391 as shown in the above map) were still in the assessment stage.

Royalty Payments Received during the Quarter

During the quarter the Company received a further royalty payment from each of Buru Energy Limited (Buru) and Diamond Resources (Fitzroy) Pty Ltd (DRF) for production from two Ungani wells (the Ungani - 1 ST 1 and the Ungani - 2) on EP 391. The payments were received in October 2014 and represented oil sold in the months of July, August and September together with minor adjustments in respect of oil sold in May and June. The payments from Buru and DRF have once again been made on the disputed and delayed basis as outlined in previously Quarterly Reports. The total amount received by Fitzroy in production royalties during the Quarter in respect of the Ungani EPT production was \$71,887.50 (paid, as distinct from accrued). Subsequent to the end of the quarter, the Company received a further \$88,765.39 in production royalties for the months of October to December on the same basis as above.

Fitzroy is expecting further quarterly royalty payments from Buru and DRF in 2015 now that oil production has recommenced and Fitzroy remains in discussions with these parties as to the correct timing of quarterly royalty payments, particularly concerning royalties on changes in inventories during each quarter. Fitzroy maintains that both Buru and DRF are in arrears in terms of royalty payments in addition to amounts claimed on the disputed basis outlined above.

Royalty Calculation Dispute

Fitzroy announced to the ASX on 26 August 2013 that it had filed an Originating Summons in the Supreme Court of Western Australia (Proceedings) seeking a declaration concerning the proper construction of the terms of its 'Canning Basin Royalty Deed' (Royalty Deed) dated 26 August 2006 that relate to the calculation of the royalty. Fitzroy announced that it was seeking a declaration that upon a proper construction of the terms of the Royalty Deed that it is entitled to be paid a royalty at the rate of 2% of the gross value in Australian currency of petroleum at the well head (as agreed or determined from time to time for the purpose of calculation of the State Royalty) which is recovered from the area covered by the permits, the subject of the Royalty Deed, without deduction for any costs or expenses.

The Proceedings name four defendants being Buru Energy Limited (First Defendant), Diamond Resources (Canning) Pty Ltd (Second Defendant), Diamond Resources (Fitzroy) Pty Ltd (Third Defendant) and Mitsubishi Corporation (Fourth Defendant). The Second and Third Defendants are subsidiaries of Mitsubishi.

The parties attended a court ordered mediation on 27 October and again on 10 December but failed to reach agreement (refer ASX announcement of 19 December 2014). Subsequent to the end of the quarter (refer ASX announcement 7 January 2015) the parties were advised that the Proceedings have been listed for trial before His Honour Mr Justice Mitchell in the WA Supreme Court on Tuesday 14th and Wednesday 15th April 2015.

The Company has provided regular updates on the Proceedings including in releases to the ASX on 2 October 2012, 26 August 2013, 12 December 2013 and 19 December 2014 as well as in its periodic reports.

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

Fitzroy continues to monitor activities by the R1 joint venture participants. Fitzroy's 8% participating interest in R1 was sold together with various other Canning Basin Assets in 2006. R1 is over 3 blocks and renewal number 1 was granted on 8 November 2010. Fitzroy's 8% royalty rights have been held as against Buru, one of the joint venture participants.

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 Petroleum Limited) and Indigo Oil Pty Ltd ('Indigo') as part of an asset swap and Buru's 'ongoing acreage rationalisation program'.

Fitzroy maintains that the assignment provisions of the Canning Basin Royalty Deed (Royalty Deed) apply to this transaction and, as stated in previous quarterly reports, these assignment provisions have not been followed in relation to the Deed of Covenant between Buru, Indigo and Gulliver. Fitzroy is of the view that the Royalty Deed does not release Buru from any of its obligations thereunder in respect to Fitzroy's interest and has advised Buru, Indigo and Gulliver accordingly.

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

Fitzroy continues to monitor activities by the L15 joint venture participants. L15 (over 2 blocks) was granted on 1 April 2010 and expires on 31 March 2031. Fitzroy's 12% royalty rights have been held as against Buru, one of the joint venture participants.

Pursuant to a Deed of Covenant dated 20 December 2013, Buru transferred its 15.5% interest in L15 to Gulliver Productions Pty Ltd ('Gulliver', a subsidiary of Key Petroleum Limited) and Indigo Oil Pty Ltd ('Indigo') as part of an asset swap and Buru's 'ongoing acreage rationalisation program'.

Fitzroy maintains that the assignment provisions of the Canning Basin Royalty Deed (Royalty Deed) apply to this transaction and, as stated in previous quarterly reports, these assignment provisions have not been followed in relation to the Deed of Covenant between Buru, Indigo and Gulliver. Fitzroy is of the view that the Royalty Deed does not release Buru from any of its obligations thereunder in respect to Fitzroy's interest and has advised Buru, Indigo and Gulliver accordingly.

STP-EPA-0045

In October 2011, Buru applied for an Exploration Permit over 25 blocks comprising EPA 0045. On 9 October 2013, Fitzroy advised Buru that if and when it is granted, the EP will be a 'Replacement Permit' referable to EP 391 (as it stood in 2006 when sold by Fitzroy) and therefore Fitzroy's 2% Royalty will apply to it. Buru has advised that its view is that the EP shouldn't constitute a 'Replacement Permit'. The EPA remains in the assessment phase as at Quarter end.

EP 390 – Apache Farm-in

On 4 November 2013, Buru announced that a subsidiary of Apache Energy Limited will farm-in to a number of permits in the Buru-Mitsubishi joint venture. EP 390, one of the so-called ‘Coastal Permits’ and comprising 20 blocks, was to become 50% held by Apache Onshore Holdings Pty Ltd (‘Apache’) once Apache funded an exploration program on the Coastal Permits during 2014.

The assignment provisions of the Canning Basin Royalty Deed applied to this transaction and a Deed dated 14 March 2014 relating specifically to EP 390 was entered into by Fitzroy with Apache, DRC, Buru and Apache Energy Ltd. Under the Deed, Apache has assumed (as from 12 May 2014, the completion date of the Apache farm-in) the responsibility to pay royalties to Fitzroy as to 50% of the Petroleum recovered from the area of EP 390 (leaving DRC and Buru at 25% each). Apache Energy Ltd has guaranteed the obligations of Apache to Fitzroy. Apache has also acknowledged the Supreme Court proceedings mentioned above and agreed to abide by any binding settlement or final judgment in the Court proceedings.

On 23 December 2014, in its final drilling report in relation to the Commodore 1 Exploration Well on EP 390, Buru stated:

“Although oil shows were noted in cores at several intervals, both inspection of the cores and interpretation of the wireline logs indicates there are no zones with producible hydrocarbons. Consequently the well was plugged and abandoned ... Commodore 1 is the first well to be drilled as part of the Apache Onshore Holdings Pty Ltd (Apache) farm out announced in November 2013. The cost of the well will be fully funded by Apache under the terms of the farmout which includes a commitment by Apache to fund a \$25 million exploration program on EP 390, 438, 471 and 473...” [Note: Fitzroy has an interest in EP 390 only].

Fitzroy will continue to monitor progress with respect to EP 390.

EP 428, EP 431, EP 371 (R1) and EP 436

Renewal applications for these 4 permits were lodged by Buru in late October 2013. These 4 permits are 4 out of the 5 State Agreement permits (discussed extensively in previous reports by Fitzroy) and are exempt from the requirement to drop 50% of the blocks as part of the renewal application process.

As at Quarter end these applications were in the assessment stage.

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. Buru stated in its operations update on 20 January 2015:

“Buru is continuing its remediation of this area...The Company took the decision to cease production from the area in 2013 in order to address the legacy issues, including the rehabilitation...”

EP 129

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 L6 and L8. It was registered on 2 March 2007. In August 2013 Buru applied for a suspension with extension for the 8 block EP 129 (R5), and the new expiry date is 31 January 2016.

On 27 January 2015 Buru announced that it had commenced drilling operations on the Sunbeam 1 well located on EP 129 and on 29 January 2015 announced that the well had reached 568 metres of a maximum total depth of 1,200 metres. Fitzroy will continue to monitor the progress of the drilling campaign.

Backreef Area of EP 129 and L6

Fitzroy is monitoring the activities on the ‘Backreef Area’ of L6 and EP 129, particularly those of Oil Basins Ltd. It is understood that Buru holds 100% of the Backreef Area on trust for Oil Basins Ltd and other parties 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 L6 and EP 129) 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. In July 2013 Fitzroy applied to register the Lennard Shelf Royalty against L17 and this is being done as part of Fitzroy’s routine title maintenance activities (ensuring royalty dealings are and remain registered under Section 75 of the Petroleum and Geothermal Energy Resources Act (WA) against relevant permits). 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 the Company is actively seeking to invest its current funds by seeking out additional royalty interests, free carried interests and minor

equity positions in having appointed Royalty Stream Investments Pty Ltd as an adviser to assist with this in February 2014.

ASX Classification

FZR has recently received a query from ASX regarding the Company's high level of cash compared to total balance sheet assets. FZR has responded to the ASX stating that the royalty deeds covering tenements in the Canning Basin are material assets which, due to accounting standards and treatment, do not appear on the Company's balance sheet and that, in effect, the Company's cash balance represents a significantly lesser proportion when compared to its market capitalisation. The ASX is considering the application of ASX listing rule 12.3 in this respect and the Company awaits the ASX's response.

Future Investments

With respect to potential future investments, FZR is actively seeking investments related to royalty interests, free carried interests and minor equity positions. On 24 February 2014, FZR announced that it had engaged Royalty Stream Investments Pty Ltd (RSI) on a 12 month contract to assist FZR to originate, execute and manage new natural resource investment opportunities. FZR continues to work closely with RSI to identify the best opportunities that fit within the Company's strategy and meet the criteria set for investment.

Petroleum tenement and farm-in agreement information

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

As at 31 December 2014, Fitzroy had 90,788,294 ordinary shares on issue, held by 1,040 registered shareholders.

Buy-back

The on-market buy-back of the Company's shares as announced to the ASX remains on foot. The Company has not as yet activated the buy-back and has not purchased any shares thereunder. The buy-back remains active until 30 May 2015 unless terminated earlier. Fitzroy has appointed Taylor Collison to undertake the buy-back.

Annual General Meeting

The Company held its Annual General Meeting on Friday 21 November. All resolutions were passed including the re-election of Malcolm McComas and Justin Clyne to the Board.

Events Subsequent to Quarter's End

On 7 January 2015 the Company announced that a date for trial has been set in relation to the Western Australian Supreme Court proceedings (CIV 2315 of 2013) (**Proceedings**) involving Buru Energy Limited, Diamond Resources (Canning) Pty Ltd, Diamond Resources (Fitzroy) Pty Ltd and Mitsubishi Corporation, regarding the proper construction of the Canning Basin Royalty Deed.

The Proceedings have been listed for trial before His Honour Mr Justice Mitchell on Tuesday 14th and Wednesday 15th April 2015.

Malcolm McComas

Non-Executive Chairman

Dated: 30 January 2015

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.