

Quarterly Activities Report (Quarter ended 30 September 2017)

Highlights:

- Commencement of On Market Share Buy-back;
- Significant Investment in Byron Energy Limited (ASX: BYE);
- Buru Ungani Oilfield currently producing at 1,250 bopd; and
- Post Quarter End – Receipt of first Royalty from Buru following recommencement of Production at Ungani.

Fitzroy River Corporation Ltd (**Fitzroy, FZR or Company**) is pleased to report on its activities during the quarter ended 30 September 2017.

A) Corporate:

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

Date:	Announcement
14 July	Daily share buy-back notice – Appendix 3E (24,728 shares)
26 July	Quarterly Activities and Cashflow Reports
11 August	Cancellation of Shares – Form 484
17 August	Daily share buy-back notice – Appendix 3E (10,000 shares)
17 August	FZR Increases Portfolio with BYE Investment
18 August	Daily share buy-back notice – Appendix 3E (10,400 shares)
21 August	Daily share buy-back notice – Appendix 3E (60,000 shares)
25 August	Daily share buy-back notice – Appendix 3E (6,000 shares)
29 August	Change of Director's Interest Notice – Susan Thomas
5 September	Daily share buy-back notice – Appendix 3E (125,994 shares)
7 September	Cancellation of Shares – Form 484

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8 September	Daily share buy-back notice – Appendix 3E (40,000 shares)
12 September	Daily share buy-back notice – Appendix 3E (40,000 shares)
13 September	Daily share buy-back notice – Appendix 3E (30,000 shares)
26 September	Full Year Statutory Accounts
29 September	Daily share buy-back notice – Appendix 3E (1,000 shares)

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

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

Prior to the September quarter, the Company announced the introduction of an on-market share buy-back of up to 9,000,000 shares which represents approximately 10% of the shares on issue. During the quarter, the Company bought back a total of 348,122 shares and subsequently a further 108,167 shares. Total shares purchased under the buy-back to date is 481,289 for a total consideration of just under \$86,000. The buy-back remains in place until 21st June 2018 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 and is dependent on market conditions, volumes, price and other relevant conditions from time to time.

3. Significant Investment in Byron Energy Limited:

During the quarter, the Company increased its shareholding in Byron Energy Limited (ASX: BYE, **Byron Energy**) through participation in Byron Energy's capital raising announced to the market on 14 August which raised \$28.5m.

Fitzroy invested a further \$1.0m at an issue price of \$0.07 per share as a follow-on investment to the Company's \$0.5m investment in August 2016. Following completion of the placement, Fitzroy now holds a total of 18.131m shares representing approximately 2.65% of the undiluted capital on issue of Byron Energy.

In its capital raising announcement to the market on 14 August, Byron Energy stated in part:

"The funds raised through the issue of Placement Shares will be used to complete the development of SM 71 oil and gas discovery (manned tripod platform, production facilities, pipelines, completion of SM 71 #1 discovery well and drilling and completion of SM 71 #2 development well), and to fund repayment of convertible note principal and interest, corporate costs, bonding requirements, working capital and share issue costs."

Commenting on the new investment at the time of participating, Fitzroy's Non-Executive Chairman, Malcolm McComas said:

"The Board of Fitzroy has been impressed with the clearly laid out strategy and plan for execution by the Byron Energy Board and management team and see this additional investment in Byron Energy as an opportunity to capitalise on a prospective work program alongside other investors such as Metgasco who is taking up its priority right in a 10% participation."

Fitzroy continues to watch the progress achieved by Byron Energy.

4. Royalties and Other Income:

Subsequent to the end of the quarter Fitzroy received its first royalty payment from Buru Energy Limited (ASX: BRU) following Buru's recommencement of drilling on the Ungani Oilfield in the Canning Basin in the middle of this year. Pursuant to its royalty agreement with Buru, Fitzroy receives a 2% net royalty, which based on the 60,275 bbls of production to which this payment relates, Fitzroy's total royalty for Buru's quarter of production was \$36,880. Fitzroy is expecting an additional royalty payment for the current quarter's production from Buru in late January 2018.

5. Shareholders

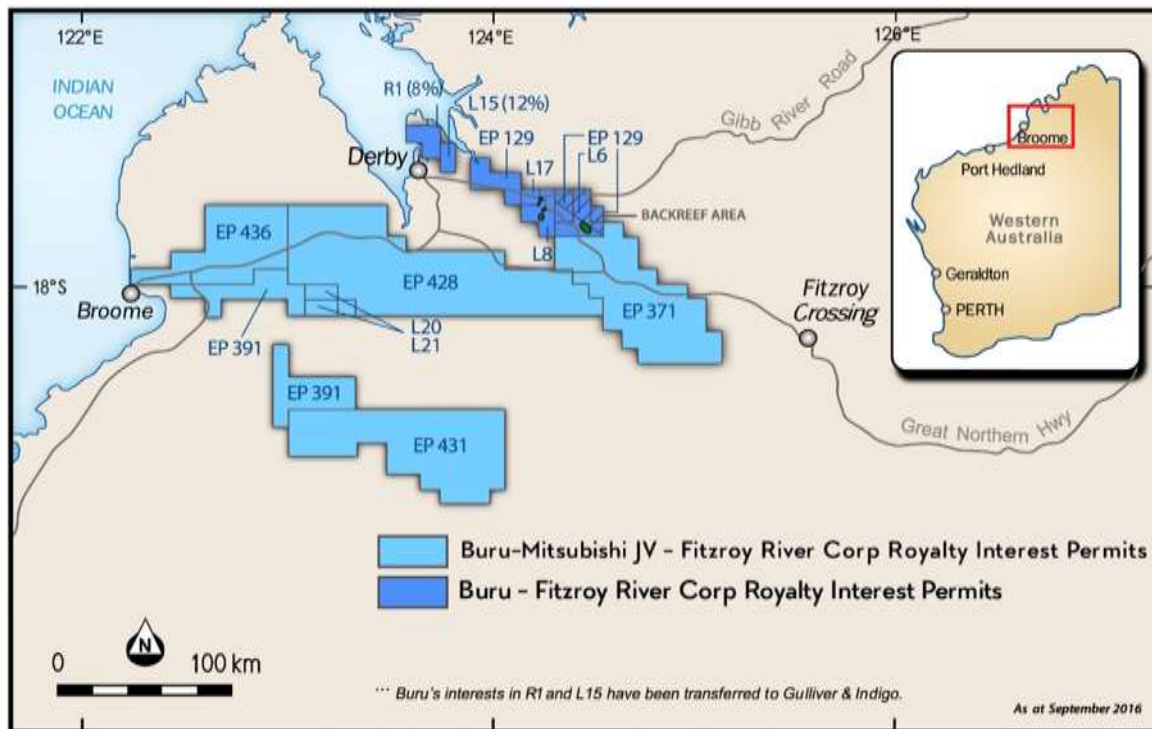
Fitzroy has 90,405,973 ordinary shares on issue, held by 923 registered shareholders.

B) Projects and Assets

1. Royalty deeds:

Fitzroy holds royalty interests in several permits in the Canning Basin via 2 separate Royalty Deeds, the Canning Basin Royalty deed and the Lennard Shelf Royalty Deed.

Figure 1: Map of Tenements over which Fitzroy has a royalty prior to change in ownership under the 'Transformational Transaction' announced by Buru on 25 May 2017 (subject to completion of the Asset Swap Agreement).



The map above shows the location of all the Company's royalty interests with 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. The map shows the current ownership of the tenements however noting that the ownership of Permits EP 391, EP 431, EP 436, EP 371, EP 428 and Production Licences L20 and L21 will change upon completion of the 'Transformational Transaction' announced to the ASX by Buru on 25 May 2017 (refer section 2 below).

Permits EP 391, EP 431, EP 436, EP 371, EP 428 (2% Royalty) (all currently part of the Buru-Mitsubishi JV but subject to the 'Transformational Transaction') are the 5 State Agreement permits and are exempt from the requirement to relinquish 50% of the blocks as part of the renewal application process.

2. Buru Energy – Ungani Oilfield Production:

In its latest announcement to the market subsequent to the end of the quarter on 27 October 2017, Buru stated that the field production rate at Ungani had been constrained to some 1,250 bopd while the transport system is re-commissioned to meet the initial target rate of a sustained 1,500 bopd. Buru is expecting its next oil lifting from Wyndham in late November for which Fitzroy expects a royalty payment in late January 2018.

In terms of its current activity, Fitzroy continues to watch keenly the progress on the Ungani 3 and Ungani 4 wells.

3. Exploration, development and production activities:

Fitzroy did not have any direct activities of this nature during the Quarter with the focus on the on-market share buy-back and investment in Byron Energy however the Company remains active in seeking investment opportunities by way of additional royalty interests, free carried interests and minor equity positions.

4. Petroleum tenement and farm-in agreement information:

Canning Basin Royalty Deed (subject to completion of the Asset Swap Agreement):

EP or PL #	Date Issued	Expiry	Area (km2)	Held by (50% each unless otherwise stated)	Post Asset Swap
EP 391	1 Feb. 2015	31 Jan. 2020	2,274.7736 (26 blocks)	Buru Energy Limited/ Diamond Resources (Fitzroy) Pty Ltd	Buru Energy Limited
EP 371	31 July 2014	30 July 2019	3,663.2577 (45 blocks)	Buru Energy Limited/ Diamond Resources (Canning) Pty Ltd	Diamond Resources (Canning) Pty Ltd (50%)/ Diamond Resources (Fitzroy) Pty Ltd (50%)
EP 428	31 July 2014	30 July 2019	6,431.9741 (79 blocks)	Buru Energy Limited/ Diamond Resources (Canning) Pty Ltd	Buru Energy Limited
EP 431	31 July 2014	30 July 2019	4,211.4604 (52 blocks)	Buru Energy Limited/ Diamond Resources (Fitzroy) Pty Ltd	Buru Energy Limited
EP 436	31 July 2014	30 July 2019	2,404.1372 (30 blocks)	Buru Energy Limited/ Diamond Resources (Fitzroy) Pty Ltd	Buru Energy Limited
L20	2 July 2015	-	162.7085 (2 blocks)	Buru Energy Limited/ Diamond Resources (Fitzroy) Pty Ltd	Buru Energy Limited
L21	2 July 2015	-	162.6399 (2 blocks)	Buru Energy Limited/ Diamond Resources (Fitzroy) Pty Ltd	Buru Energy Limited
R 1	11 Oct 2016	10 Oct 2021	245.1571 (3 blocks)	Gulliver Productions Pty Ltd (85.23%)/ Indigo Oil Pty Ltd (14.77%)	Not affected by the Asset Swap Agreement
L 15	1 April 2010	31 March 2031	163.46 (2 blocks)	Gulliver Productions Pty Ltd (85.40%)/ Indigo Oil Pty Ltd (14.60%)	Not affected by the Asset Swap Agreement

Table 2: Schedule of Tenements under the Canning Basin Royalty Deed (pre-and post-Asset Swap Agreement).

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

Table 3: Schedule of Tenements under the Lennard Shelf Royalty Deed.

EP = Exploration Permit, PL = 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 October, 2017

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 2017

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	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(97)	(97)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	18	18
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	(79)	(79)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	(1,000)	(1,000)
(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	(1,000)	(1,000)

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)	(60)	(60)
3.10	Net cash from / (used in) financing activities	(60)	(60)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,268	4,268
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(79)	(79)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,000)	(1,000)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(60)	(60)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,130	3,130

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	3,130	4,268
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)	3,130	4,268

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
46
-

Directors 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
-
-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 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.		

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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.



31 October 2017

Sign here:
(Director/Company secretary)

Date:

Print name:Justin Clyne

Notes

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.