

Quarterly Activities Report

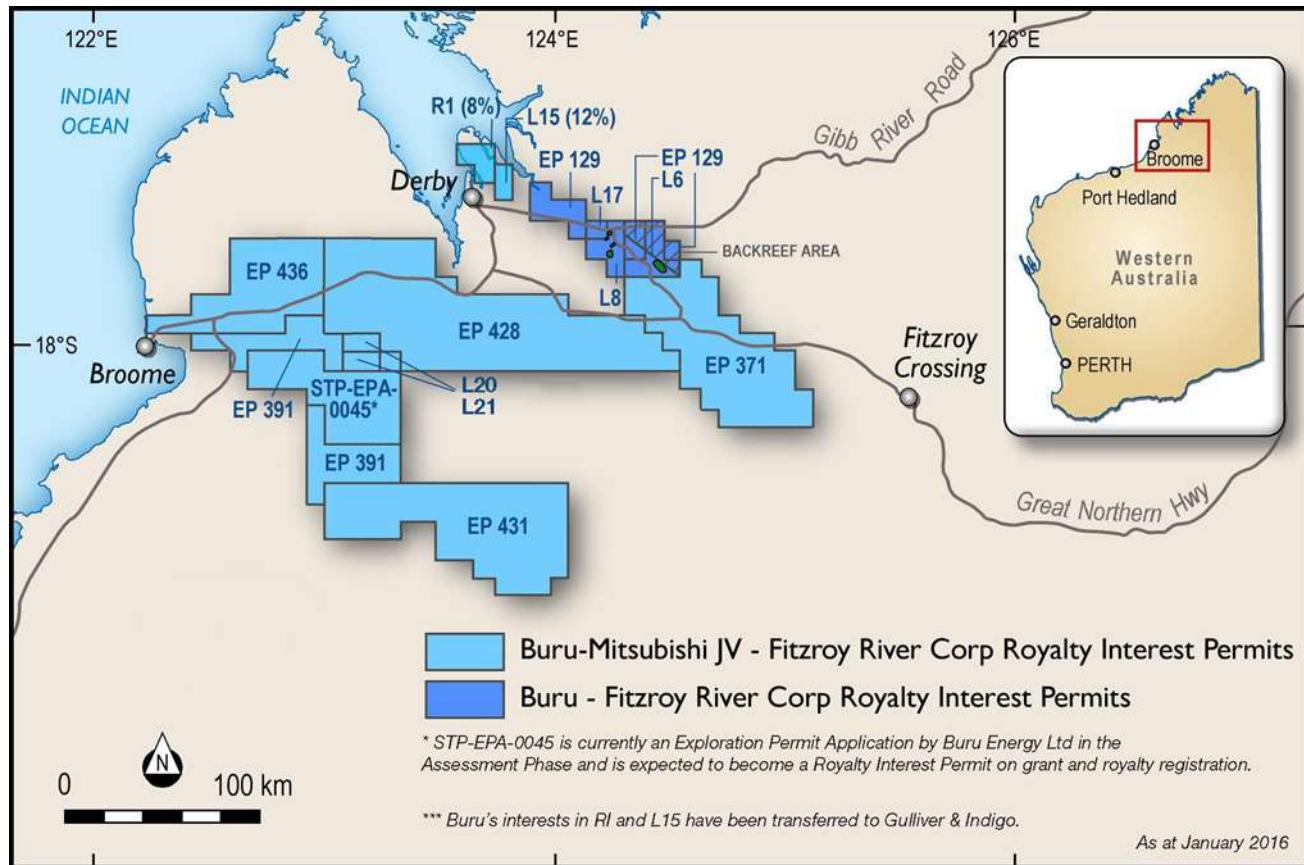
(Quarter ended 31 March 2016)

Fitzroy River Corporation Ltd ('Fitzroy', 'FZR' or the 'Company') reports on its activities during the 3 months ended 31 March 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. The dark blue 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.

Production Licences L 20 (formerly STP-PRA-0004) which covers 2 blocks (6694 and 6695) and L 21 (formerly STP-PRA-0005) which covers 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 now 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.

During the quarter on 14 March 2016, Buru provided its latest update on the testing operations phase of the Ungani Far West 1 Appraisal Well which was spudded in November 2015. The appraisal well is located within L 21 (over which Fitzroy has a royalty), 97 kms east of Broome and 3.3 kms southwest of the Ungani Oil Field in the Canning Basin. In the announcement Buru stated:

"...The well has been configured to allow testing of the three zones, the uppermost zone which has tested oil, a middle zone which has calculated oil saturations from wireline logs, and the lower zone which as well developed vugular porosity in cores but ambiguous calculated oil saturations... the middle zone has been opened to flow with no influx observed. The pressure data obtained after the zone was opened suggests it is water bearing but this needs to be confirmed.

The forward program will include a shut-in for approximately one week followed by further pressure surveys. The aim of this program is to obtain further data to allow a more definitive interpretation of the oil and water interfaces in the reservoir.

At the conclusion of the shut-in and the data gathering phase the produced fluids will be reinjected into the formations they came from and the well will be suspended..."

Fitzroy will continue to monitor and wait for further announcements in relation to exploration and production from the Ungani Far West 1 Appraisal Well and all the tenements over which it holds a royalty interest.

Subsequent to the end of the quarter on 18 April 2016 Buru announced that DeGolyer & MacNaughton (D & M), a specialist North American Tight Gas and unconventional resource assessment group were commissioned to undertake an independent assessment of the gas and liquids resources of the Laurel

Formation in the Valhalla area of the Canning Basin. The independent assessment confirmed Buru's view that the Valhalla area contains a nationally significant multi TCF wet gas accumulation.

The assessment was carried out using the results of Buru's 2015 tight gas stimulation program and was focused on the evaluation of the Contingent Resources and Prospective Resources around the two stimulated wells.

The announcement notes that D & M are of the opinion that the Valhalla accumulation immediately surrounding the Valhalla North and Asgard wells, contain a gross 2C unrisked contingent recoverable volume of 1.53 TCF of gas and 32 million barrels of hydrocarbon liquids (condensate and LPG), noting that this estimate includes both wet and dry gas zones combined. D & M are of the opinion that the unrisked mean recoverable Prospective Resource in the Valhalla accumulation on EP 371 is 13.02 TCF of gas and 232 million barrels of hydrocarbon liquids.

EP 371 is held 50% by Buru Energy Limited and 50% by Diamond Resources (Canning) Pty Ltd, a wholly owned subsidiary of Mitsubishi Corporation.

Shareholders and other interested parties are encouraged to read the full announcement in relation to the Independent Resources Review released by Buru Energy on 18 April 2016, a copy of which has been made available on Fitzroy's website at www.fitzroyriver.net.au by clicking on the '*Investor Centre*' tab and then '*Buru Energy News*' tab or by clicking on the below hyperlink:

[Buru Energy Laurel Formation Tight Gas Independent Resources Review](#)

Royalty Payments Received during the Quarter

During the quarter the Company received a total of \$17,354.34 in royalties for the months of October, November and December with some minor adjustments for the month of September.

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 was due to expire on 29 February 2016 however a renewal application was lodged on 17 February 2016 by Gulliver Productions Pty Ltd which is still pending. Fitzroy's 2% royalty rights on its 8% participating interest 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'.

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. Fitzroy's 2% royalty right on its 12% participating interest 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 ASX listed Key Petroleum Limited) and Indigo Oil Pty Ltd ('Indigo') as part of an asset swap and Buru's 'ongoing acreage rationalisation program'.

On 1 October 2015 Key Petroleum released its Maiden Reserves and Contingent Resources Reports in respect of both R1 and L15. It was stated therein that the West Kora Oil Field has "*gross proved probable (2P) reserves of 380,000 barrels of oil...The West Kora Oil Field (L15) has a gross (2C) contingent resource of 120,000 barrels of oil and the Point Torment Gas Field (R1) gross (2C) contingent gas resources of 4.725 Bcf...*".

In its Quarterly Activities Report released to the market on 29 January 2016, Key Petroleum stated:

"...Application has also been made to vary work program commitments in R1 to an airborne survey and a geochemical survey in place of an exploration well. The acreage held by Key has proven discoveries in West Kora-1 (L15) and Point Torment-1 (R1)...".

STP-EPA-0045

On 7 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 EPA 0045 is granted, it will constitute a 'Replacement Permit' referable to EP 391 (as it stood in 2006 when sold by Fitzroy) and therefore Fitzroy's 2% Royalty will apply. Buru has advised that its view is that EPA 0045 does not constitute a 'Replacement Permit'. The EPA still remains in the assessment stage.

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 relinquish 50% of the blocks as part of the renewal application process.

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

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 Emanual 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. In July 2013 Fitzroy applied to register the Lennard Shelf Royalty against L17 and this was 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.

Future Investments

With respect to potential future investments, FZR is actively seeking investments related to royalty interests, free carried interests and minor equity positions and is presently reviewing a number of prospective opportunities as part of this process.

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
STP-EPA-0045	Lodged 7 October 2011. Currently in Assessment Stage	-	-	Buru Energy Limited
R 1	8 Nov. 2010	29 Feb. 2016 (renewal lodged 17 Feb. 2016 pending)	245.15 (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	Not shown	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 965 registered shareholders.

Events Subsequent to Quarter's End

The only material matter subsequent to the quarter's end was the release by Buru of the Laurel Formation Tight Gas Independent Resources Review on 18 April 2016 referred to in section A) above.

Malcolm McComas

Chairman

Dated: 22 April 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.