

## Quarterly Activities Report (Quarter ended 30 September 2019)

### **Highlights:**

- **Highlights in relation to Buru Royalty**
  - Receipt of \$130,913.31 in royalties during the quarter from Buru for 149,192 bbls from liftings of oil sold in May and August; and
  - Total royalties received for the last 4 quarters of \$323,254.
  
- **Highlights in relation to Exploration Permits and Production Licences relating to Buru Royalty**
  - Ungani Oilfield production for the quarter of ~86,000 bbls (gross) at a daily rate of ~940 bopd;
  - Oil sales for the quarter of ~75,000 barrels (gross) from a lifting on 12 August;
  - Upgrades to Ungani production facility to process additional fluid volumes; and
  - Post quarter end, the Adoxa 1 exploration well drilled and completed with potential ~10 metre oil zone.
  
- **Highlights in relation to Capital Management**
  - Completion of On-Market Share Buy-back with a total of 2,087,458 Shares purchased thereunder.
  
- **Investment Highlights**
  - Byron Energy**
    - SM58 011 exploration well spudded and a substantial hydrocarbon column was confirmed; and
    - SM71 F Platform reaches milestone of 1.5 million barrels of gross production.

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

## A) Corporate:

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

<u>Date:</u>	<u>Announcement:</u>	<u>Number of Shares by month:</u>
<b>Share Buy-Back Announcements:</b>		
<b><u>Shares Bought back:</u></b>		
<u>July:</u> 1 <sup>st</sup> , 4 <sup>th</sup> , 8 <sup>th</sup> , 16 <sup>th</sup> , 17 <sup>th</sup> & 18 <sup>th</sup>	Daily Share Buy-Back Notices	164,247
<u>August:</u> 14 <sup>th</sup>	Daily Share Buy-Back Notices	<u>88,000</u>
		<b><u>252,247</u></b>
<b><u>Shares Cancelled:</u></b>		
<u>July:</u> 1 <sup>st</sup> & 29 <sup>th</sup>	Cancellation of Shares	193,247
<u>August:</u> 29 <sup>th</sup>	Cancellation of Shares	<u>88,000</u>
		<b><u>281,247</u></b>
<u>Date:</u>	<u>Other ASX Announcements:</u>	
8 July	Change in Substantial Holding (Flexiplan Management Pty Ltd)	
31 July	Quarterly Activities Report	
31 July	Quarterly Cashflow Report	
29 August	Appendix 3F – Final Share Buy-Back Notice	
17 September	Notice of Initial Substantial Holder (Sandon Capital Pty Ltd)	
25 September	Full Year Statutory Accounts	

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

## **2. Conclusion of On-market Share Buy-back:**

During the quarter, the on-market share buy-back announced to the ASX on 9 August 2018 concluded with the Company buying back a total of 2,087,458 shares (representing 2.36% of the shares on issue prior to the commencement of the buy-back) during the 12 month period for a total consideration of just over \$391,000. The Company now has a total of 86,363,401 shares on issue.

## **3. Royalties:**

During the quarter, Fitzroy received two royalty payments from Buru, the first in respect of the quarter ended 30 June 2019 of \$69,770.15. The Company also received a second royalty payment during the quarter for the quarter ended 30 September 2019 which was received in advance of the quarter's end. This second royalty was for an amount of \$61,143.16.

## **4. Shareholders**

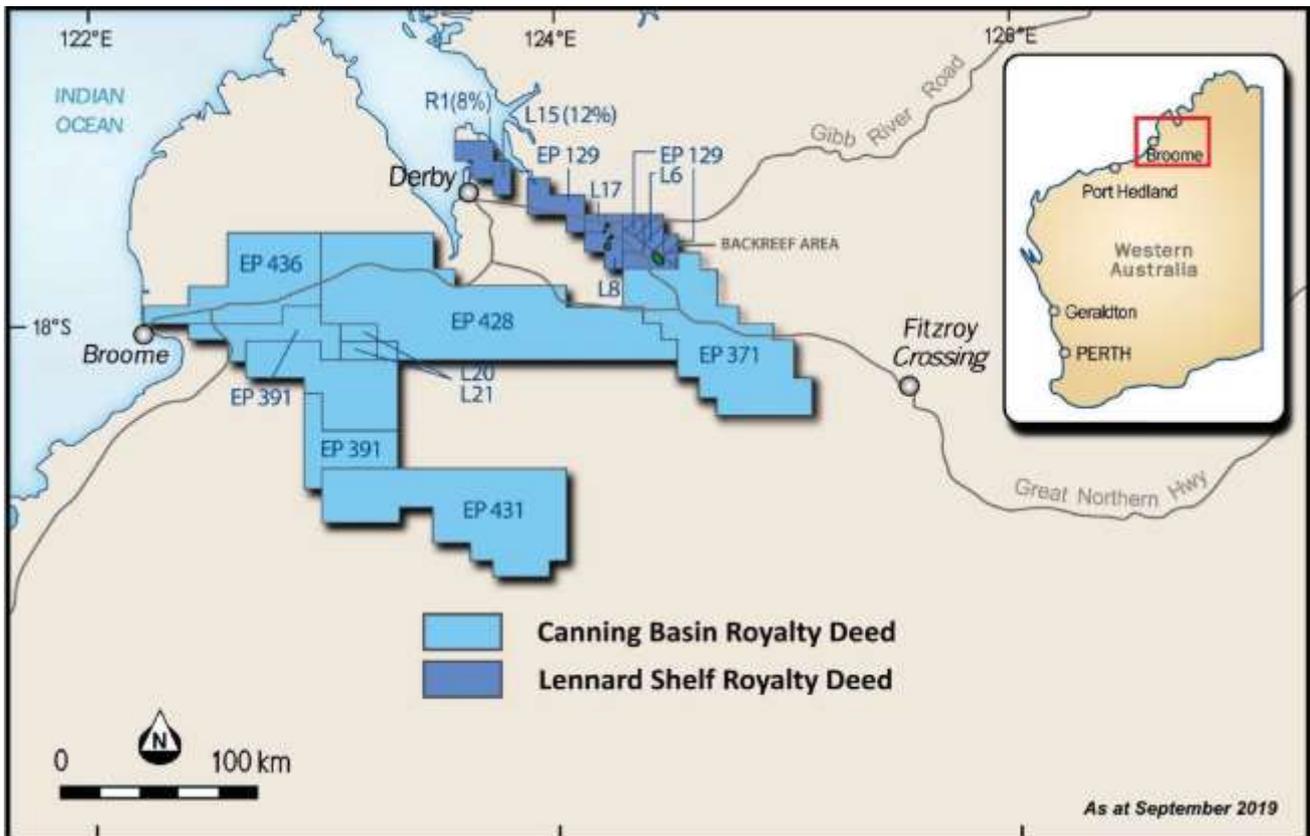
Following the conclusion of the buy-back, Fitzroy has 86,363,401 ordinary shares on issue held by 853 registered shareholders (as at 28 October 2019).

# **B) Projects and Assets:**

## **1. Royalty deeds:**

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

The map below shows the location of all the Company's royalty interests with those acquired under the Canning Basin Royalty Deed shown in light blue and with those shown in dark blue being the areas acquired under the Lennard Shelf Royalty Deed.



*Figure 1: Map of Tenements over which Fitzroy has a royalty.*

## **2. Announcements by Buru Energy Limited (ASX: BRU):**

During the quarter, Buru reported the following progress on production, development and exploration.

### **2.1 Ungani Oilfield Production – L20/L21:**

Buru's production during the quarter was ~86,000 barrels (gross). The average rate of production was ~940 bopd from Ungani 1, Ungani 2, Ungani 4ST1, Ungani 5 and Ungani Far West 1 throughout the period with ongoing minor well interventions and maintenance being carried out as required. Buru notes that the Ungani 6H and Ungani 7H wells are planned to be brought into production in the current quarter after coil tubing operations have been completed, with the potential for a significant increase in oil production rates.

### **2.2 Exploration:**

In its Quarterly Activities Report, Buru provided the following updates regarding exploration activities during the quarter:

#### 2.2.1 Adoxa 1 (EP428 – Buru Energy 50% and operator):

The Adoxa 1 well was drilled during the quarter with each of Buru and ROC contributing 50% of the cost of the well. The well was drilled to a total depth of 2,300 metres. Wireline logs and pressure measurements were then acquired which identified a zone from 1,891 to 1,902 metres measured depth in the Upper Anderson section that is interpreted from logs and pressure data to have the potential to flow oil. All of the other zones where oil shows were noted in the well were interpreted to be either tight (poor reservoir) or water wet. A 4½ inch casing string was run in the well to allow a test of the well in due course.

#### 2.2.2 Rafael 1 (EP428 - Buru Energy 50% and operator):

The Buru Board took the decision to defer the planned drilling of this higher cost well on a commercial basis for a number of factors including Buru's exposure to 100% of the costs of drilling the well under the joint venture sole risk provisions, following ROC's decision not to participate in its drilling this year.

#### 2.2.3 Ungani North 1 (L20 - Buru Energy 50% and operator):

During the quarter, the well was reperforated with larger equipment and an injection test was then undertaken that showed the reperforation had not been successful in enhancing the productivity. As a result, operations at the well were suspended pending an evaluation of the results.

#### 2.2.4 Lennard Shelf (EP129/L6/L8/L17 – Buru Energy 100%):

The Blina and Sundown Oilfields remained shut-in during the quarter with the well decommissioning program completed with seven wells successfully decommissioned.

##### 2.2.4.1 Blina 4 Test:

A dual zone completion was run into the well and production tests are planned on the Yellowdrum and Nullara formations during the current quarter once equipment and personnel are available. Buru notes that a reservoir model is currently being built to review the potential for a secondary recovery production operation in the Nullara reservoir of the field.

#### 2.3 Lifting of Fracking Moratorium:

In its Quarterly Activities Report, Buru provided the following update, in part:

*“During the September 2019 quarter, the WA State Government announced that the moratorium on Hydraulic Fracture Stimulation (fracking) had been lifted over existing Petroleum Titles. This followed the Independent Scientific Inquiry which last year confirmed that the activity is low risk if properly regulated. The moratorium was lifted on all of Buru's current titles.”*

**3. Investment Highlights:**

3.1 Byron Energy Limited (ASX: BYE):

Fitzroy continues to monitor its investment in Byron Energy Limited (**ASX: BYE, Byron or Byron Energy**). Fitzroy holds over 18.8m shares in Byron Energy. During the quarter, on 10 July 2019 Byron Energy confirmed that the SMI 71 F Platform has produced in excess of 1.5 million barrels of (gross) production since initial production in March 2018 with daily production for the month of June of 3,250 barrels and 4.4m standard cubic feet of gas.

Post the end of the quarter, on 17 October 2019, Byron announced that its prospective resources for SM58 have increased by 2065% since its announcement on 19 September 2019 when the Company released a summary of the independent reserves and resources estimate for its projects in the shallow waters of the Gulf of Mexico.

Byron Energy also announced on 22 August 2019 that it was permitting two new wells for (the first to extend the D5 reservoir and a second to more efficiently drain the remaining D5 reserves at SM71).

3.2 Royalco Resources Limited (ASX: RCO)

On 1 July Royalco Resources announced that Royal Energy Pty Ltd had not satisfied the funding condition for the acquisition of the Weeks Royalty as announced on 9 April 2019 and as a result Royalco Resources had terminated the Deed of Assignment.

**4. Petroleum tenement and farm-in agreement information:**

Canning Basin Royalty Deed:

EP or PL #	Date Issued	Expiry	Area (km2)	Registered Holder
EP 391	1 Feb. 2015	31 Jan. 2024	2,274.7736 (26 blocks)	Buru Energy Limited Roc Oil (Canning) Pty Limited
EP 371	31 July 2014	30 July 2023	3,663.2577 (45 blocks)	Diamond Resources (Canning) Pty Ltd
EP 428	31 July 2014	30 July 2023	6,431.9741 (79 blocks)	Buru Energy Limited Roc Oil (Canning) Pty Limited
EP 431	31 July 2014	30 July 2023	4,211.4604 (52 blocks)	Buru Energy Limited
EP 436	31 July 2014	30 July 2023	2,404.1372 (30 blocks)	Buru Energy Limited Roc Oil (Canning) Pty Limited
L20	2 July 2015	-	162.7085 (2 blocks)	Buru Energy Limited (50%) Roc Oil (Canning) Pty Limited (50%)

L21	2 July 2015	-	162.6399 (2 blocks)	Buru Energy Limited (50%) Roc Oil (Canning) Pty Limited (50%)
R 1	11 Oct 2016	10 Oct 2022	245.1571 (3 blocks)	Gulliver Productions Pty Ltd <sup>1</sup>
L 15	1 April 2010	31 March 2031	163.46 (2 blocks)	Gulliver Productions Pty Ltd

**Table 2 (above): Schedule of Tenements under the Canning Basin Royalty Deed.**

Lennard Shelf Royalty Deed:

EP or PL #	Date Issued	Expiry	Area (km2)	Held by
EP 129 <sup>2</sup>	18 March 2016	17 March 2025	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	81.6 (1 block)	Buru Energy Limited

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

*(# EP = Exploration Permit, L = 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.

<sup>1</sup> Gulliver Productions Pty Ltd is a 100% subsidiary of Rey Resources Limited (ASX: REY).

<sup>2</sup> Fitzroy is monitoring the activities on the 'Backreef Area' of EP 129 and L6, particularly those of Emperor Energy Ltd (ASX: EMP) (formerly Oil Basins Ltd). It is understood that Buru holds 100% of the Backreef Area on trust for Emperor Energy 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. Fitzroy is currently in negotiations with Buru 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. Until such time as a deed of covenant is executed, the contractual relationship governing the 3% royalty obligation (which is registered against EP 129 and L6) is between Fitzroy and Buru alone.

### **C) Events Subsequent:**

Subsequent to the end of the quarter, Buru drilled the Miani 1 well on its 100% owned L8 with a planned total measured depth of 2,400 metres. The well is approximately 70 kilometers to the east of the town of Derby and 30 kilometers to the northwest of Buru's Blina Oilfield. In its latest update on 23 October 2019 Buru stated that:

*"...the results of the well to date and the initial log results indicate that there is potential for additional prospectivity in the lower part of the interpreted Nullara carbonate section that has not yet been penetrated by the well..."*

The well will be deepened to 3,000 metres and then logged and the full section evaluated.

**Malcolm McComas – Chairman**

Dated: 28 October 2019

**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 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date ( 3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	131	131
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(110)	(110)
1.3 Dividends received (see note 3)		
1.4 Interest received	4	4
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)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>25</b>	<b>25</b>

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

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date ( 3 months) \$A'000</b>
(d) other non-current assets		
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)		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3. Cash flows from financing activities</b>		
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)	(47)	(47)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(47)</b>	<b>(47)</b>

*Other relates to share buy backs*

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	1,252	1,252
4.2 Net cash from / (used in) operating activities (item 1.9 above)	25	25
4.3 Net cash from / (used in) investing activities (item 2.6 above)		
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(47)	(47)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date ( 3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,230</b>	<b>1,230</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,230	1,252
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,230</b>	<b>1,252</b>

**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**

50

Director 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**

## Mining exploration entity and oil and gas exploration entity quarterly report

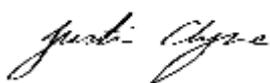
<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities		
Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below 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.		

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	100
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>100</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
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**

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.



28 October 2019

 Sign here: .....  
 (Director/Company Secretary)

Date: .....

Print name: .....Justin Clyne.....

**Note-++**

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.