

Quarterly Activities Report (Quarter ended 31 March 2019)

Highlights:

- **Highlights in relation to Buru Royalty**
 - Receipt of \$80,068 in royalties during the quarter from Buru for 74,432 bbls from a lifting of oil sold in October 2018; and
 - Receipt of \$112,273 in royalties post the end of the quarter for 139,964 bbls sold from 2 separate liftings of oil in January and March during the quarter.
- **Highlights in relation to Exploration Permits and Production Licences relating to Buru Royalty**
 - Ungani Oilfield production at a daily rate of ~1,030 bopd average for the quarter; and
 - For all details of planned exploration refer the Buru Quarterly Activities Report lodged with the ASX on 16 April 2019.
- **Highlights in relation to Capital Management**
 - 529,338 Shares purchased pursuant to the On-Market Share Buy-back during the quarter.
- **Investment Highlights:**
 - Byron Energy announces the strategic acquisition of the SM58 production and lease block; and
 - Royalco Resources announces, subsequent to the end of the quarter, the sale of the Weeks Royalty Asset subject to the purchaser securing financing and Royalco shareholder approval.

Fitzroy River Corporation Ltd (**Fitzroy, FZR or Company**) is pleased to report on its activities during the quarter ended 31 March 2019.

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>
<u>Share Buy-Back Announcements:</u>		
<u>Shares Bought back:</u>		
<u>January:</u> 15 th , 16 th & 22 nd	Daily Share Buy-Back Notices	285,110
<u>March:</u> 8 th , 11 th , 12 th , 20 th , 21 st , 22 nd & 26 th	Daily Share Buy-Back Notices	<u>244,828</u>
		<u>529,338</u>
<u>Shares Cancelled:</u>		
<u>January:</u> 2 nd	Cancellation of Shares	136,263
<u>February:</u> 8 th	Cancellation of Shares	<u>285,110</u>
		<u>421,373</u>
<u>Date:</u>	<u>Other ASX Announcements:</u>	
30 January	Quarterly Activities and Cashflow Reports	
8 March	Half Year Accounts	

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

2. Progress Continues under the On-market Share Buy-back:

During the quarter, the Company made significant progress under its on-market share buy-back announced to the ASX on 9 August 2018, in which Fitzroy aims to acquire up to 8,845,000 shares which represents approximately 10% of all shares on issue prior to the commencement of the buy-back. During the quarter, the Company bought back a total of 529,338 shares and has purchased a further 19,600 shares since the end of the quarter. Total shares purchased under the buy-back to date is 1,256,600 for a total consideration of just over \$236,000. The buy-back remains in place until 28 August 2019 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. The buy-back is therefore dependent on market conditions, volumes, price and other relevant conditions from time to time.

3. Royalties:

During the quarter, Fitzroy received a royalty payment from Buru for the quarter ended 31 December 2018 of \$80,068.12. This is based on the sale of 74,432 bbls of production in October at a price of USD\$75.6040 per barrel. Subsequent to the end of the quarter, Fitzroy received a further \$112,273.45 based on the sale of 69,686 bbls of production in early January at a price of USD\$53.6590 per barrel and 70,278 bbls of production sold in March at a price of USD\$60,3720 per barrel, both during the current quarter.

4. Shareholders

Fitzroy has 87,194,259 ordinary shares on issue held by 865 registered shareholders (as at 26 April 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.

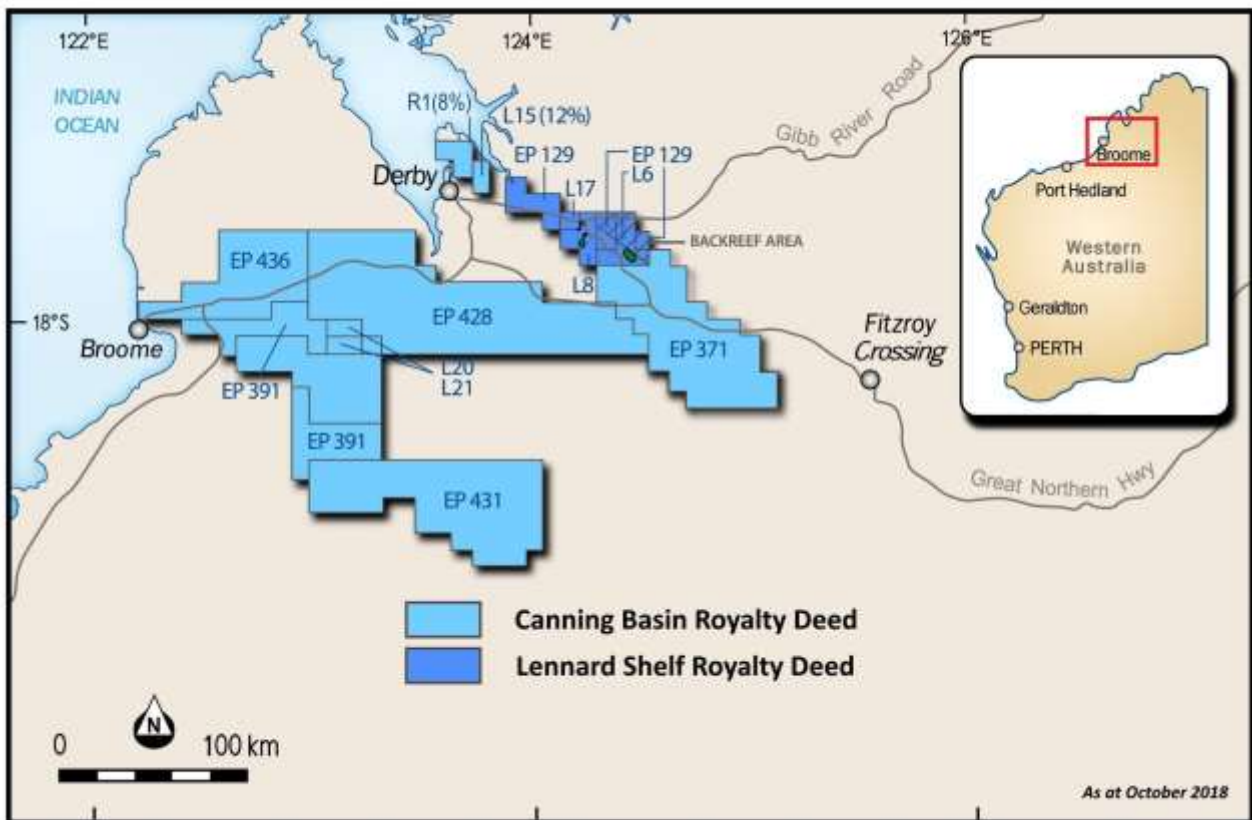


Figure 1: Map of Tenements over which Fitzroy has a royalty.

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:

Production during the quarter was ~93,000 barrels. The average rate of production was ~1,030 bopd from Ungani 1, Ungani 2, Ungani 5 and Ungani Far West 1 with Ungani 4ST1 recommencing production in mid-March following the installation of a beam pump. Due to the lower than average seasonal rainfall across the quarter no days of production were lost. FZR expects the daily rate of production to increase in the third quarter when the Ungani 6 and 7 wells are scheduled to be commissioned.

2.2 2019 Drilling Program:

In its Quarterly Activities Report released 16 April 2019 (for the period to 31 March 2019), Buru announced:

“...During the quarter, the Buru/Roc Joint Venture agreed to drill two horizontal development wells on the Ungani Oilfield. These wells will be drilled back to back to maximise operational efficiency.

The section of the Ungani 6 well to be drilled by the NGD 405 rig to the top of the Ungani reservoir is expected to take some three weeks to drill and case. At that point the rig will be moved to drill and case the equivalent pre-reservoir section on Ungani 7, after which the rig will be moved to the Yakka Munga 1 exploration well location.

This sequence is to be completed by around mid-June at which point the Coiled Tubing Underbalanced Drilling (CTD-UBD) package will be mobilised to drill the respective underbalanced horizontal reservoir sections in the Ungani 6 and Ungani 7 wells...”

2.3 Exploration:

2.3.1 EP 428:

The third well in the program agreed by the Buru/Roc Joint Venture as a wildcat exploration well is on the Yakka Munga structure on EP428 over which FZR has a royalty. The well is planned to be drilled to a depth of 2,400 metres targeting the Reeves Formation sandstones from which oil was tested in the Ungani Far West 1 well. In its Quarterly Activities Report, Buru stated, in part:

“...The Reeves Formation is an emerging play in the Canning Basin and the Reeves section in the Yakka Munga 1 well is prognosed to be over 700 metres thick, with a substantial part of the section never previously penetrated in the Basin...”

Detailed technical work is also ongoing on the Rafael prospect on EP 428 as the planned fourth well in the program thereafter in the third quarter this year.

2.3.2 Lennard Shelf Assets (EP 129, L6, L8 and L17):

In relation to the Blina and Sundown Oilfields, Buru announced in its Quarterly Activities Report:

“...The Blina and Sundown Oilfields remained shut-in during the quarter with maintenance and well inspections continuing. Planning operations to undertake decommissioning of legacy production wells on the Lennard Shelf was completed during the quarter and operations are expected to commence in the next quarter...”

In relation to the Butler Prospect, Buru announced following the end of the quarter on 11 April, that the independent evaluation report on the wet gas/oil Butler Sand prospect by ERC Equipoise Pty Ltd has confirmed the potential for substantial resources in this conventional sand prospect that lies partly in EP 487 and EP 129 (note that FZR only has a royalty over EP 129). Buru is currently collaborating with the EP 487 tenement holders for the drilling of the Butler 1 well to a total depth of up to 4,000 metres at a location on EP 487 close to the boundary of EP 129. FZR will watch with interest to see how the drilling of the Butler 1 prospect impacts EP 129 over which FZR has a royalty.

2.3.3 Yulleroo Gas Field (EP 391 and EP 436):

Buru is currently undertaking a further review of the Yulleroo Gasfield tight wet gas resource where 4 wells have defined a substantial gas accumulation. This review has identified a number of zones with the potential for conventional gas production with a view to testing these in 2019 using the coil tubing unit mobilised for the Ungani drill program.

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 with a market value of almost A\$6.0m. Byron’s net revenue for the quarter was US\$6.7m from its share of 107,995 barrels of oil and 274,511 mmbtu¹ of gas production.

During the quarter, Byron announced the strategic acquisition of the South Marsh Island 58 (**SM58**) Production and Lease Block. The acquisition is for a 100% Working Interest (**WI**) to a Total Vertical Depth (**TVD**) of 13,639 feet and a 50% WI below this TVD as well as a non-operated 53% WI in the SM58 #E1 producing wellbore and the SM69 E platform. This acquisition provides Byron with continuous acreage on the north flank of the SM73 Field, access to production infrastructure, a small amount of existing production and additional exploration upside.

¹ Mmbtu = Million British Thermal Units.

In the announcement to the market on 14 February 2019 in relation to the acquisition, Byron CEO, Maynard Smith, stated in part:

“... The pursuit and fruition of this deal is a further testament to the strategic thinking of the Byron team in their diligent effort to grow the company... We see additional opportunity in the now contiguous SM57, 58 and 59 area and look forward to formulating a drilling program on that part of the dome...”

“... The consistent production from our nearby SM71 Field has provided the cash flow and financial resources to access this growth opportunity... This is a significant step in expanding our position in the Gulf of Mexico and we plan to leverage this acreage into additional drilling locations and revenue streams in the near future.”

3.2 Royalco Resources Limited (ASX: RCO)

Subsequent to the end of the quarter, Royalco Resources Limited (**Royalco**) announced the sale of its Weeks Royalty Interest for a cash price of \$5.8m subject to the purchaser securing funding and the approval of the sale by Royalco shareholders at an Extraordinary General Meeting (**EGM**). FZR announced on 9 April that, in the absence of a superior proposal, it currently intends to vote in favour of the various resolutions at the EGM.

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	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
L 15 ³	1 April 2010	31 March 2031	163.46 (2 blocks)	Gulliver Productions Pty Ltd

² Termination dates for EP’s 391, 371, 428, 431 and 436 following the termination of the State Agreement dated 7 November 2012. The termination dates as recorded by the WA Department of Mines, Industry Regulation and Safety are 31 January 2020 for EP 391 and 30 July 2019 for the other 4 EP’s, which are expected to be updated shortly.

³ On 31 December 2018 Rey Resources Limited (ASX: REY), of which Gulliver Productions Pty Ltd is a wholly owned subsidiary, announced that it had signed a Letter of Intent with Doriemus PLC (ASX: DOR) which, subject to the completion of due diligence and certain conditions precedent, Doriemus has agreed to farm-in to L15 and earn a 50% operating interest in the asset. On 5 March 2019,

Table 2 (previous page): 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 ⁴	18 March 2016	17 March 2024	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.

Malcolm McComas – Chairman

Dated: 29 April 2019

Rey announced that a binding Farmout Agreement had been signed in an endeavour to bring the West Kora 1 well located within L15 into production.

⁴ 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.

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.