

7 February 2017

Company Announcements Office
ASX Limited

**Fitzroy Introduces a Broker Handling Fee for its
Recommended Unconditional Offer of 20 Cents Per Share for Royalco**

Fitzroy River Corporation Limited (**Fitzroy**, ASX: **FZR**) is pleased to advise that it will pay a broker handling fee to brokers who solicit acceptances of Fitzroy's Offer for Royalco Resources Limited (**Royalco**) from their clients received on or after 7 February 2017. Please refer to Fitzroy's attached Supplementary Bidder's Statement for more details. This Supplementary Bidder's Statement has been lodged with ASIC and sent to Royalco today.

The Handling Fee payable in respect of an Acceptance will be 0.75% of the 20 cents per share consideration payable by Fitzroy (i.e. 0.15 cents per share) under the Offer as a result of that Acceptance subject to the maximum Handling Fee payable in respect of any Acceptance being \$750 (excluding GST). The minimum Handling Fee will be \$50 (excluding GST).

Fitzroy encourages all Royalco shareholders who have not already accepted its Offer to do so. Royalco shareholders who accept the Offer will receive cash consideration of 20 cents per Royalco share in respect of their shares. Fitzroy currently has a relevant interest in 23,270,171 Royalco shares representing 44.144%.

The Offer is scheduled to close at 7.00pm (Sydney time) on Monday 13 February 2017.

To accept Fitzroy's Offer, please follow the instructions on the Acceptance Form that has been posted to you. Any Royalco shareholder who has mislaid their Acceptance Form can contact Justin Clyne, the Company Secretary of Fitzroy, on +61 2 9993 4407 or via email at jclyne@clynecorporate.com.au to request a replacement Acceptance Form.

For further information, please telephone:

Malcolm McComas

Non-Executive Chairman – Fitzroy River Corporation
0412 016 009

Justin Clyne

Non-Executive Director/Company Secretary – Fitzroy River Corporation
+ 61 2 9993 4407

Christopher Still

TC Corporate - Advisor to Fitzroy River Corporation
+61 2 9377 1555



About Fitzroy River Corporation Limited:

Fitzroy River Corporation Limited is an ASX listed (ASX: FZR) oil and gas investment holding company with a focus on non-operational assets such as royalties, free carried interests and minority equity positions. Its current royalty agreements are centered around oil and gas production in the onshore Canning Basin in far north Western Australia. The royalty agreements are with Buru Energy Limited (ASX: BRU) (the operator) and Diamond Resources (Fitzroy) Pty Ltd and Diamond Resources (Canning) Pty Ltd, subsidiaries of Mitsubishi Corporation. Fitzroy's royalties cover some (but not all) of Buru's permits which include the Ungani oil field and Laurel Basin gas system.

Supplementary Bidder's Statement
Offer by
Fitzroy River Corporation Limited (Fitzroy) (ACN 075 760 655)
to acquire all the shares in
Royalco Resources Limited (RCO) (ACN 096 321 532)

Introduction

This document is a Supplementary Bidder's Statement given pursuant to Division 4 of Part 6.5 of the Corporations Act 2001 in compliance with the requirements of Section 645 of the Corporations Act (**Supplementary Bidder's Statement**).

It is the first Supplementary Bidder's Statement prepared by Fitzroy in relation to the Offer from Fitzroy to acquire all the issued shares in Royalco to be undertaken under Fitzroy's replacement Bidder's Statement dated 21 December 2016 (**Bidder's Statement**).

This Supplementary Bidder's Statement supplements, and should be read together with, the Bidder's Statement.

Defined Terms

Defined terms used in this Supplementary Bidder's Statement are capitalised and have the meaning given to them in Section 10 of the Bidder's Statement.

Broker handling fees

Subject to the terms below, Fitzroy will pay a handling fee (**Handling Fee**) to participating organisations of the ASX (**Brokers**) in respect of valid acceptances received on or after the date of this Supplementary Bidder's Statement from retail Royalco Shareholders in connection with the Offer (**Acceptances**), where such Acceptances are from clients of a Broker and were procured by the Broker. For the avoidance of doubt, a Handling Fee will only be payable to a Broker in respect of a formal Acceptance as outlined below.

A retail Royalco Shareholder is one who is:

- not a Broker or an associate of a Broker; and
- recorded on the register of Royalco Shareholders as at the date of Acceptance, unless otherwise agreed with Fitzroy.

The Handling Fee payable in respect of an Acceptance will be 0.75% of the \$0.20 per share consideration payable by Fitzroy (i.e. 0.15 cents per share) under the Offer as a result of that Acceptance subject to the maximum Handling Fee payable in respect of any Acceptance being \$750 (excluding GST). The minimum Handling Fee will be \$50 (excluding GST).

The Handling Fee will not be increased.

The fee is payable to Brokers only in respect of acceptances of the Offer which they procure from their clients. The fee is not payable to Royalco Shareholders and will not be paid in respect of shares held by the Broker or an associate on its own account. In claiming the fee in respect of an Acceptance, the relevant Broker will be taken to have represented to Fitzroy that neither it nor one of its associates is the accepting Royalco Shareholder and the fee will not be passed on or otherwise shared directly or indirectly with the accepting Royalco Shareholder.

This fee will only be payable once for each shareholder.

The Handling Fee will be payable to any Broker who submits to Fitzroy's registry, Boardroom Pty Limited (**Boardroom**):

- a valid and duly completed claim form (**Claim Form**) which sets out:

- the Broker's Participant Identification Number; and
- a representation that neither the Broker nor any of its associates is the accepting Royalco Shareholder and that the fee will not be passed on or otherwise shared directly or indirectly with the accepting Royalco Shareholder; and
- a list of Acceptances (**Acceptance List**) which contains:
 - the registered name for each Royalco Shareholder to which the Claim Form relates;
 - the Holder Identification Number or Securityholder Reference Number for each Royalco Shareholder to which the Claim Form relates;
 - the number of Royalco Shares in respect of which each such Royalco Shareholder has accepted the Offer and the date of the relevant Acceptance(s); and
- if the Acceptance(s) were effected by an Acceptance Form, a copy of such form bearing the Broker's stamp,

in each case by 7:00pm Sydney time on the day which is 5 Business Days after the end of the Offer Period. The Broker must provide any additional evidence reasonably requested by Fitzroy to satisfy Fitzroy that such Acceptance(s) meet the requirements for payment of the Handling Fee.

No Handling Fee will be paid in respect of any Acceptance for which more than one Broker tenders a Claim Form. Each Broker firm should submit only one Claim Form, which covers all Acceptances in respect of which the Broker firm is claiming the Handling Fee.

Claim Forms and the Acceptance List schedule that must accompany the claim must be requested by email from the email address below. The Claim Form and the Acceptance List must be submitted to Boardroom in hard copy format and must also be emailed to the Boardroom e-mail address below in each case by 7:00pm AEST on the day which is 5 Business Days after the end of the Offer Period.

Claim Forms and Acceptance Lists must be forwarded to:

corporateactions@boardroomlimited.com.au

Brokers with any queries should call Mr Justin Clyne on +61 2 9993 4407.

For any Royalco Shareholder on the CHESS subregister, where that Royalco Shareholder directly requests Fitzroy, and not the relevant Broker, to initiate acceptance of the Offer on their behalf, that Broker will not be entitled to receive the Handling Fee. No Handling Fee is payable in respect of an Acceptance where an Acceptance Form has been sent to Boardroom directly by the shareholder or through another agent. No Handling Fee is payable in respect of Acceptances that are not treated as valid by Fitzroy or are validly withdrawn (if withdrawal rights exist). Fitzroy reserves the right to refuse to pay any Handling Fee or aggregate any Acceptances in determining the Handling Fees payable to any Broker if Fitzroy reasonably believes that a party has split or otherwise structured holdings of Royalco Shares to take advantage of the Handling Fees. Fitzroy may in its absolute discretion determine any disputes regarding whether a Handling Fee is payable.

Subject to the terms set out above, payment of the Handling Fee in respect of any Acceptances will be made by cheque by the later of:

- 15 Business Days after the date of receipt by Boardroom of:
- Acceptance Forms (where applicable) bearing the Broker's stamp (together with such additional material reasonably requested by Boardroom or Fitzroy); and
- the Claim Form and the Acceptance List in the formats described above (together with such additional material reasonably requested by Boardroom or Fitzroy); and
- One month after the end of the Offer period.

Fitzroy reserves the right to amend the terms of the payment of the Handling Fee by notice to ASX.

Authorisation

This Supplementary Bidder's Statement is dated 7 February 2017, the date it was lodged with ASIC.
This Supplementary Bidder's Statement has been approved by a unanimous resolution of the Directors.

Dated: 7 February 2017

Signed for and on behalf of **Fitzroy River Corporation Limited**

A handwritten signature in black ink, reading "Justin Clyne". The signature is written in a cursive style with a large, stylized 'J' and 'C'.

Justin Clyne
Director