

12 February 2013

Dear Shareholder,

Renounceable entitlement offer to raise approximately A\$3.8 million

Fitzroy River Corporation Ltd (*Fitzroy River* or the *Company*) has announced a fully underwritten pro-rata renounceable entitlement offer (*Entitlement Offer* or *Offer*) of one (1) new ordinary share (*New Shares*) for every five (5) existing Fitzroy River shares (*Entitlement*) to raise approximately A\$3.8 million (before costs of the Offer) at an issue price of A\$0.25 per share (*Issue Price*).

The proceeds of the Offer will be used:

- to maintain and progress the Company's existing Australian assets and in particular to fund the maintenance, administration, and other activities concerning the Company's suite of contracts surrounding and including the two Royalty Agreements with Buru Energy Limited (ABN 71 130 651 437, ASX Code: BRU);
- to invest in European Gas Limited (a private company incorporated in England and Wales, and former subsidiary of the Company) (*EGL UK*) if the opportunity arises and to the extent the Board may consider necessary to protect or enhance the value of its investment in EGL UK;
- to address any potential legacy issues and contingent liabilities concerning the Company and in particular to fund any legal action required; and
- for general working capital purposes, including general listed company expenses.

All Fitzroy River shareholders with a registered address in Australia, New Zealand or the United Kingdom at 7:00pm AEDT on the Record Date (20 February 2013) will be entitled to participate in the Entitlement Offer (*Eligible Shareholders*), subject to the terms and conditions set out in the Offer Booklet for the Offer.

Details of the Offer are set out in the Offer Booklet lodged with the Australian Securities Exchange (*ASX*) on 12 February 2013, available on ASX's website at www.asx.com.au, and on the Company's website at www.fitzroyriver.net.au. Eligible Shareholders will also be mailed an Offer Booklet together with a personalised Entitlement and Acceptance Form by no later than 22 February 2013. Shareholders whose registered address is not in Australia, New Zealand or the United Kingdom will not be sent an Offer Booklet.

Key information regarding the Offer

Eligible Shareholders will be entitled to acquire one (1) New Share for every five (5) existing Fitzroy River shares held. Fractional entitlements to New Shares will be rounded up. The Entitlement Offer is renounceable, which means that Entitlements may be traded on ASX or otherwise transferred if shareholders do not wish to take up some, or all, of their Entitlement. Entitlements trading will start on 14 February 2013 and end on 1 March 2013.

The Issue Price represents a 23.8% discount to the 10 day volume weighted average price of Fitzroy River shares ending on 11 February 2013 (A\$0.328 per share), and a 26.5% discount to the last closing price of Fitzroy River shares on 11 February 2013 (A\$0.34 per share). The Offer is fully underwritten by Bell Potter Securities Limited (ABN 25 006 390 772) (*Underwriter*).

Upon successful completion of the Offer, Fitzroy River expects its issued capital to be:

DESCRIPTION	SHARES ¹
Shares on issue prior to the Offer	75,656,848
Shares issued pursuant to the Offer	15,131,370
Total Shares on issue after completion of the Offer	90,788,218

New Shares issued under the Entitlement Offer will rank equally with existing ordinary shares on issue. The New Shares are expected to be allotted on 19 March 2013.

Key Offer dates

EVENT	DATE
Announcement of Offer and lodgement of Appendix 3B and Cleansing Notice with ASX	12 February 2013
Notice of Offer to Shareholders Notice to shareholders containing Appendix 3B information	13 February 2013
'Ex' date for Entitlements / Entitlements trading period begins	14 February 2013
Record Date The date for determining entitlements of Eligible Shareholders to participate in the Offer (7:00pm AEDT)	20 February 2013
Offer opens Fitzroy River to send to Eligible Shareholders Offer Booklet including Entitlement and Acceptance Forms	22 February 2013
Entitlements trading period ends Close of trading on ASX	1 March 2013
Deferred settlement trading begins	4 March 2013
Offer closes	8 March 2013

¹ The number of New Shares to be issued under the Offer, and the total number of issued shares on the close of the Offer, are necessarily approximate as individual shareholdings will be rounded when calculating entitlements.

Last day for receipt of Entitlement and Acceptance Forms (5:00pm AEDT)	
Shortfall notification date	14 March 2013
Shortfall settlement date	18 March 2013
Allotment of New Shares and despatch of holding statements for New Shares	19 March 2013
Normal trading of New Shares begins	20 March 2013

NOTE: The above timetable is indicative only and subject to change without notice. Fitzroy River reserves the right, subject to the Corporations Act, ASX Listing Rules, the underwriting agreement with the Underwriter and other applicable laws, to amend any or all of these events, dates and times. In particular, Fitzroy River reserves the right to extend the date for closing of the Entitlement Offer, delay the allotment of securities, accept late applications, either generally or in particular cases, or to withdraw the Entitlement Offer without prior notice. Accordingly, applicants are encouraged to submit their applications as soon as possible after the Entitlement Offer opens. The commencement of quotation of New Shares is subject to confirmation from ASX.

Accepting the Offer

If you wish to accept the offer to subscribe for your pro-rata Entitlement of New Shares under the Offer (*Entitlements*), please complete and return the personalised Entitlement and Acceptance Form accompanying the Offer Booklet, which will be sent to you and provide the appropriate application monies or, alternatively, pay the application monies by BPAY. The Entitlement and Acceptance Form and application monies must be received by no later than 5:00pm AEDT on 8 March 2013. If you are paying by BPAY you do not need to return the Entitlement and Acceptance Form.

Selling your Entitlements

If you wish to sell some or all of your Entitlements on ASX, please contact your broker as soon as possible. You can seek to sell your Entitlements on ASX from 14 February 2013. All sales on ASX must be effected by 1 March 2013, when the Entitlements trading period ends. There is no guarantee that you will be able to sell your Entitlements. If you wish to take up all or some of your Entitlements not sold on ASX, you will need to follow the instructions in the "Accepting the Offer" section above.

Transferring your Entitlements

If you are an Eligible Shareholder on the Company's issuer sponsored sub-register and you wish to transfer all or some of your Entitlements to another person who is also an Eligible Shareholder or a person with a registered address in Australia, New Zealand or the United Kingdom, other than on ASX, you will need to complete and return a Renunciation and Acceptance Form (available from your stockbroker or Computershare Investor Services Pty Limited (*Registry*) (contact on 1300 850 505 between 8:30am and 5:00pm (AEDT) Monday to Friday)) and the transferee's application monies in relation to the Entitlements you wish to transfer. The Renunciation and Acceptance Form must be received no later than 5:00pm AEDT on 8 March 2013. If the Registry receives both a completed Renunciation and

Acceptance Form and an Entitlement and Acceptance Form in respect of the same Entitlements, the renunciation will take priority over the acceptance.

If you are an Eligible Shareholder on the CHESS sub-register, as either buyer or seller, you must contact the sponsoring broker to effect the transfer. The Registry is unable to transfer the Entitlements either to or from a CHESS Holding.

If you wish to take up all or some of your Entitlements that you have not transferred, you need to follow the instructions in the "Accepting the Offer" section above.

Doing nothing with your Entitlements

If you decide not to sell all or some of your Entitlements and do not take up all or some of your Entitlements before 5:00pm AEDT on 8 March 2013 or if you do nothing, you will continue to own the same number of shares in Fitzroy River but your interest in Fitzroy River will be diluted and you will receive no value for your Entitlements.

Important information

The provision of this document is not, and should not be considered as, financial product advice. Please read the Offer Booklet in full before deciding whether to invest in the Entitlement Offer. In particular, you should consider the risk factors (certain of which are summarised in the Offer Booklet) that could affect the financial performance and position of Fitzroy River in light of your investment objectives, financial situation and particular needs (including financial and tax issues) and seek investment advice from your financial or other professional advisers.

Please also have regard to other publicly available information about Fitzroy River, including ASX announcements, which can be found at the ASX website www.asx.com.au and Fitzroy River's website www.fitzroyriver.net.au.

If you have any questions in relation to any of the above matters, please contact:

- your stockbroker or professional adviser; or
- Computershare Investor Services Pty Limited on 1300 850 505 (within Australia) and +61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (AEDT) Monday to Friday.

Yours sincerely



Sebastian Hempel
Executive Director