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The Manager
ASX Company Announcements
Melbourne

Acceptance Recommendation of 20 cent Fitzroy Offer

Fitzroy River Corporation Limited has today announced an off-market takeover offer to acquire all of the shares in Royalco Resources Limited at 20 cents per share. The offer is unconditional other than in relation to prescribed occurrences.

The Royalco Board intends to recommend in the Target's Statement that shareholders should **ACCEPT** the offer in the absence of a superior proposal.

Mr Peter Topham, the Royalco Managing Director/Executive Chairman, and his associates have sold 2,669,000 Royalco shares to Fitzroy (5.06%) at the 20 cent offer price, taking Fitzroy's shareholding in Royalco to 19.99%.

Royalco will issue its Target's Statement in response to Fitzroy's Bidder's Statement which will include the Royalco Board's formal recommendation to shareholders about the offer and their reasons for their recommendation.

Royalco has appointed Baker & McKenzie as its legal adviser in relation to the offer.

For any queries please contact:

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PJ Topham
Executive Chairman and Managing Director