



# Quarterly Report

March 2009

*Forte Energy (ASX: FTE; AIM: FTE) is a uranium and copper explorer listed on the ASX and AIM, with a portfolio of emerging projects in West Africa and Australia.*

## Highlights

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### *Uranium Exploration – Mauritania*

- Geophysical ground surveys undertaken at Bir En Nar and at several locations near Bir Moghreïn – further work to be carried out this Quarter.
- 6,000m diamond drilling programme aimed at delineating initial JORC-code compliant uranium resource planned to commence in July 2009.

### *Uranium Exploration – Guinea*

- Resource drilling programme completed along a 2.5 km section of a 5km long uranium anomaly at the Firawa prospect.
- Calculation of initial JORC-code compliant resource estimate for Firawa uranium prospect is expected shortly after delays in assay samples.

## Republic of Mauritania, West Africa

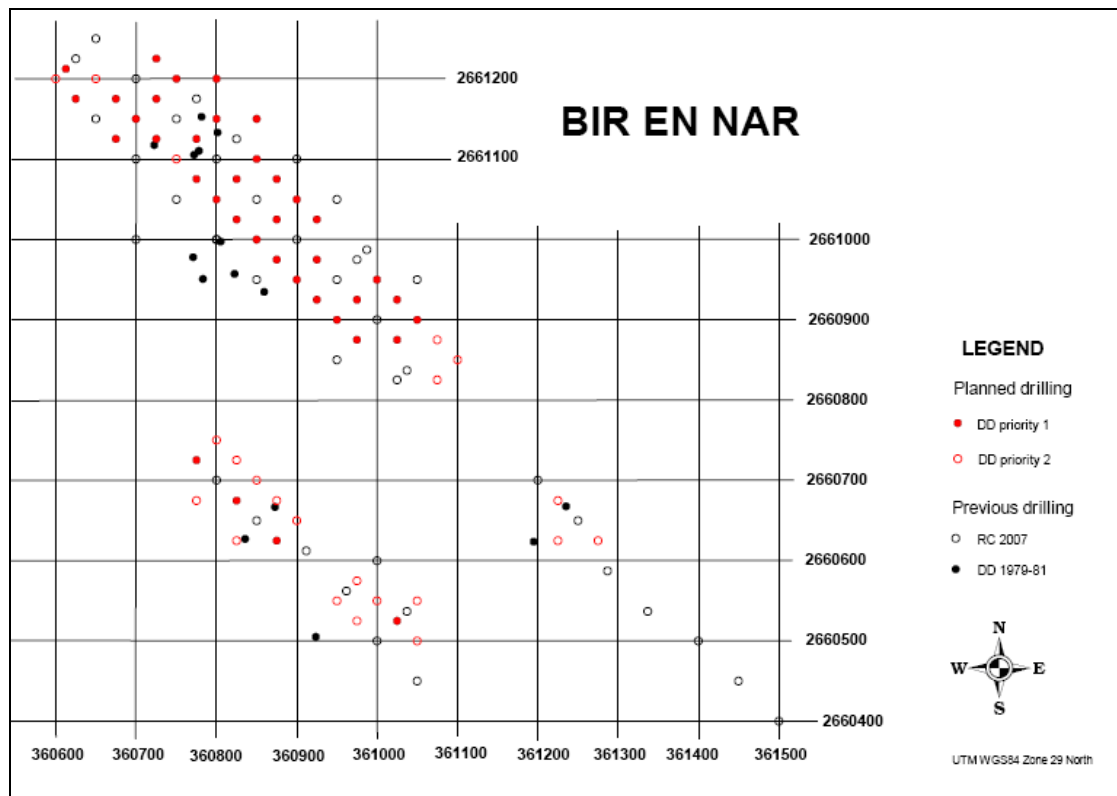
During the Quarter ended 31 March 2009, geophysical ground surveys were carried out at Bir En Nar and at several locations near Bir Moghreïn in Mauritania, West Africa.

Altogether, ten anomalies identified from previous airborne radiometric surveys were visited, with vehicle-based radiometric surveys conducted at five of these locations. Following the results of these surveys, further fieldwork is underway, including VLF-EM (Very Low Frequency Electromagnetic) surveys and a review of other identified anomalies.

A 6,000m diamond drilling programme is planned to commence at Bir En Nar in July 2009. The programme has been developed using information from the latest geophysical survey work together with the results from previous drilling carried out at Bir En Nar by Forte Energy in December 2007.

The drilling programme has been developed in consultation with technical specialists from the French-based multinational industrial and nuclear energy company, Areva NC (previously Cogema). Forte Energy has a co-operation agreement with Areva in relation to its Mauritania exploration projects (see below). Results from this drilling should enable an **initial JORC-code compliant uranium resource to be established for Bir En Nar later this year.**

**Fig.1** Planned 6,000m resource drilling programme at Bir En Nar



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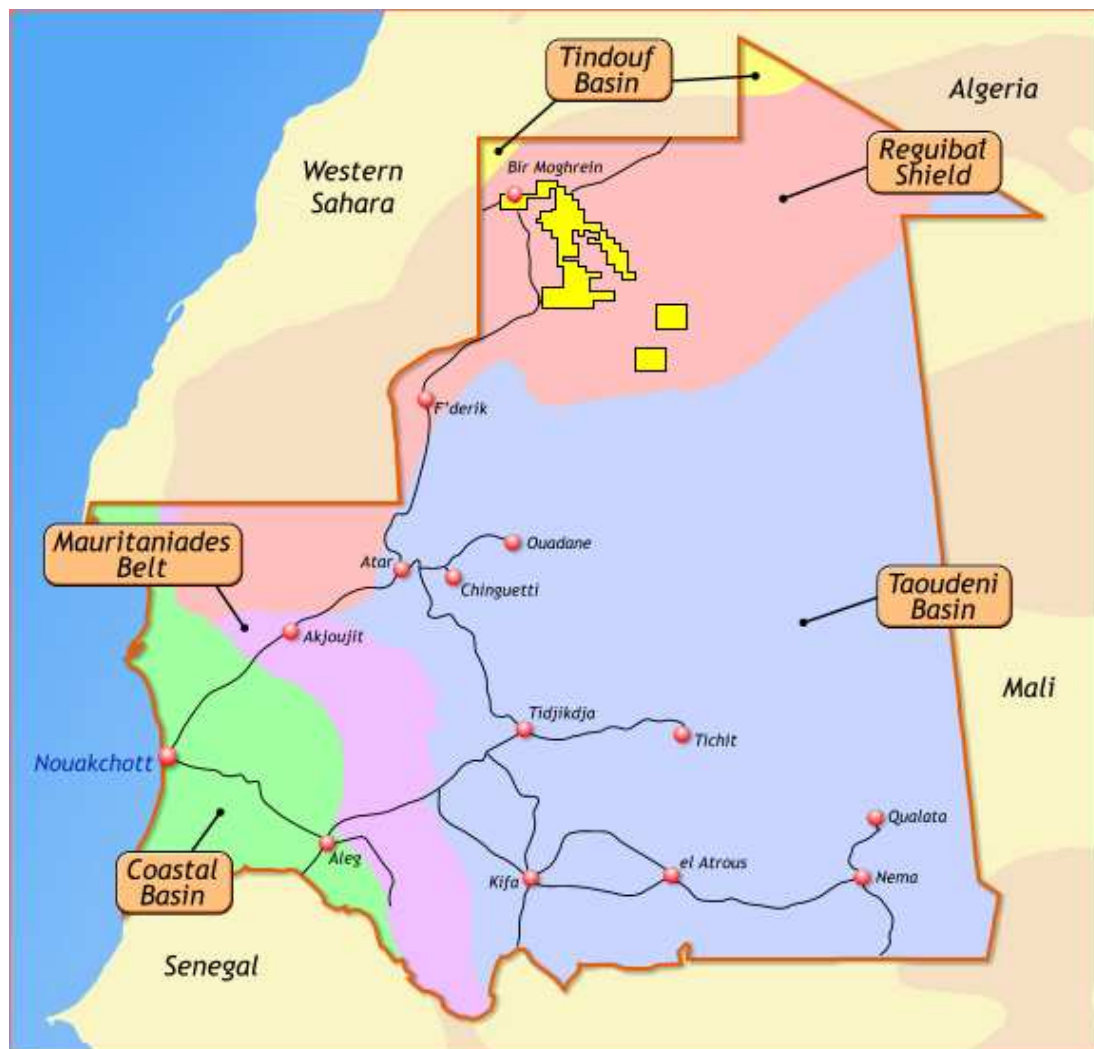
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The Bir En Nar prospect is a 900 metre long radioactive zone extending 50-70 metres in width and following a tectonic structure in a north-west to south-east direction. A smaller parallel zone occurs a few hundred metres to the south-west.

Down-hole radiometric logging results from the maiden Reverse Circulation (RC) drilling programme carried out in December 2007 included **seven holes containing intercepts exceeding 5,000ppm eU<sub>3</sub>O<sub>8</sub>, with a maximum intercept of 1.55m at 18,280ppm eU<sub>3</sub>O<sub>8</sub>**. In addition to the planned drilling programme, detailed geophysical and radiometric studies will also be undertaken at Bir En Nar.

Forte Energy holds a number of uranium exploration permits at Bir En Nar and near Bir Moghreïn in the Zednes region of northern Mauritania. In June 2008, the Company entered into a wide-ranging Cooperation Agreement with Areva NC, in relation to its Mauritanian uranium projects. As part of the Cooperation Agreement, Areva is providing technical support to the project, especially with the processing and interpretation of geophysical data and hydrogeology, with the latter an important consideration in desert areas.

**Fig.2 Forte Energy's exploration permits in Mauritania**



The Company's exploration permits in Mauritania consist mainly of stony desert terrain with a thin weathered cover underlain by granites and gneisses of the Archaen Reguibat shield complex of the West African craton. They consist predominantly of north-north-west to south-south-east tectonic structures. Significant calcrete deposits occur in places, as well as some sebkhet (dry lake beds) in the northern part of the concessions.

### **Republic of Guinea, West Africa**

Forte Energy has three uranium exploration projects in Guinea, with exploration licences covering 3,563km<sup>2</sup>. A predominantly in-fill programme of diamond core drilling was completed at the **Firawa prospect** in January 2009, aimed at enabling an initial JORC-code compliant uranium resource to be delineated.

In the course of drilling, highly encouraging results based on handheld scintillometer readings from core samples were observed in some areas where no mineralisation was previously indicated. This resulted in a decision to significantly extend the programme by undertaking over **1,800m of additional drilling, for a total of around 5,850m**. The Company is still awaiting final assay results, mainly due to the expansion of the original drilling programme, and expects that the **initial uranium resource for the Firawa prospect will be available shortly**.

A total of 56 holes were drilled with lengths of between 80 and 154 metres, generally inclined at 50°. The drilling, which targeted a 2.5km section of a 5km uranium anomaly, followed up the Company's maiden 1,800m drilling programme carried out in May 2007.

**Fig.3 Location of Forte Energy's Guinea Projects**



## Australian Copper-Cobalt Projects

Forte Energy has two copper-cobalt projects in Australia. These are:

- The **Maroochydore Copper project** – a 50:50 Joint Venture between Forte Energy and its partner, Aditya Birla Minerals Limited (“Birla”), which is also the project operator.

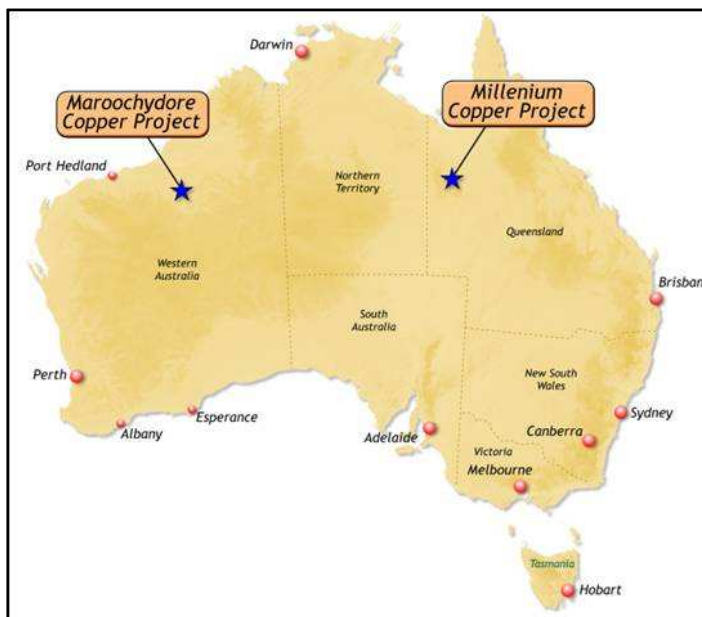
The project is strategically located in Western Australia’s Pilbara region, approximately 100km southeast of Aditya Birla’s Nifty Copper Mine near Telfer. The JORC-code compliant resource calculated for the Maroochydore project is:

	<b>Tonnes (Mt)</b>	<b>Cu%</b>	<b>Co%</b>
<b>Measured</b>	-	-	-
<b>Indicated</b>	36.7	0.8	0.04
<b>Inferred</b>	4.5	0.7	0.04
<b>Total</b>	41.2	0.8	0.04

*Maroochydore resource estimate 2008 (100% basis), calculated at a 0.5% copper cut-off*

- The **Millenium mining leases** – located some 35 kilometres north-west of Cloncurry in north-west Queensland. The five adjacent leases include the historical “Federal” copper mine and cover an area approximately 3.5 kilometres long and 500 metres wide extending in a northerly direction.

**Fig.4 Location of Forte Energy’s Copper/Cobalt Projects**



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Forte Energy remains focussed on the exploration and development of its portfolio of uranium projects in West Africa as the basis for the establishment of a substantial long-term uranium business.

While the Company continues to work with Aditya Birla Minerals to advance the Maroochydore Project, it is also exploring several other avenues to realise value from these assets.

A handwritten signature in black ink, appearing to read 'Mark Reilly', with a stylized, cursive script.

Mark Reilly  
Managing Director  
30 April 2009

## **Appendix 5B**

### **Mining exploration entity quarterly report**

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#### **Note:**

The information in this report that relates to exploration results in West Africa is based on information compiled by Mr. Bosse Gustafsson, who is a member of the European Federation of Geologists a Recognised Overseas Professional Organisation (“ROPO”). Mr Bosse Gustafsson is a full time Technical Director of Forte Energy NL and is responsible for exploration activities in Mauritania and Guinea. Mr Gustafsson has sufficient experience, which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve’. Mr Gustafsson consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Downhole gamma logging/probing of drill holes provides a powerful tool for uranium companies to explore for, and evaluate, uranium deposits. Such a method measures the natural gamma rays emitted from material surrounding a drill hole out to around 0.5 metre from its centre - the gamma probe is therefore capable of sampling a much larger volume than that which would normally be recovered from a core or RC hole. These measurements are used to estimate uranium concentrations with the commonly accepted initial assumption being that the uranium is in (secular) equilibrium with its daughter products (or radio-nuclides) which are the principal gamma emitters. If uranium is not in equilibrium (viz. in disequilibrium) – as a result of the redistribution (depletion or enhancement) of uranium and/or its daughter products – then the true uranium concentration in the holes logged using the gamma probe will be higher or lower than those reported in the announcement.

Total count gamma logging does not account for energy derived from thorium and potassium but is calibrated on the uranium band and factor applied to account for the average effect of thorium and potassium and thus the result is expressed as an equivalent value or ppm eU308. The logging programme was undertaken by Poseidon Geophysics (Pty) Ltd utilising an Auslog Logging System using instruments calibrated at Pelindaba, South Africa, an IAEA accepted and approved standard facility. Data was converted from raw counts per second of natural gamma rays to eU308 using the calibration constant obtained from measurements made at the Pelindaba calibration borehole. Poseidon Geophysics carried out regular checks to validate the accuracy of probe data using a test hole, BNR14, located on site. Uranium mineralisation grades through this report annotated with a sub-prefix ‘e’ have been reported as uranium equivalent grades derived from downhole gamma ray logging results and should be regarded as approximations only.

The information in this report which relates to the Mineral Resource for the Maroochydhore project is based on and accurately reflects reports prepared by Mr Geoff Bullen (MAIG). Mr Bullen has the necessary experience relevant to the style of mineralisation, the type of deposit and the activity undertaken to qualify as a ‘Competent Person’ under the JORC Code for Reporting of Mineral Resources and Ore Reserves (2004 Edition). Mr Bullen has given his consent to the inclusion of the material in the form and context in which it appears. Mr Bullen is an employee of Aditya Birla Minerals Ltd.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Appendix 5B**

**Mining exploration entity quarterly report**

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

FORTE ENERGY NL

ABN

59 009 087 852

Quarter ended ("current quarter")

31 March 2009

		Current quarter A\$'000	Year to date (9 months) A\$'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(2,670)	(3,677)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(544)	(1,731)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	123	214
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>		<b>(3,091)</b>	<b>(5,194)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(6)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	1
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
<b>Net investing cash flows</b>		<b>-</b>	<b>(5)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(3,091)</b>	<b>(5,199)</b>



**Appendix 5B**  
**Mining exploration entity quarterly report**

**Consolidated statement of cash flows**

1.13	Total operating and investing cash flows (brought forward)	(3,091)	(5,199)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	2,699
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Settlement of Guarantee	-	-
	<b>Net financing cash flows</b>	-	2,699
	<b>Net increase (decrease) in cash held</b>	(3,091)	(2,500)
1.20	Cash at beginning of quarter/year to date	4,251	3,660
1.21	Exchange rate adjustments to item 1.20	(30)	(30)
1.22	<b>Cash at end of quarter</b>	1,130	1,130

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

	Current quarter \$A'000
Aggregate amount of payments to the parties included in item 1.2	203
Aggregate amount of loans to the parties included in item 1.10	0

Explanation necessary for an understanding of the transactions

Salaries and rental of office premises
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**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil
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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil
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**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	N/A
3.2 Credit standby arrangements	Nil	N/A

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	800
4.2 Development	0
<b>Total</b>	<b>800</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	1,130	1,551
5.2	Deposits at call	-	2,700
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>		<b>1,130</b>	<b>4,251</b>

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

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**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

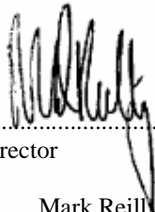
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	444,658,031 2,250,000	444,658,031 -	25	1
7.4 Changes during quarter (a) Increases through issues Issue to Areva under Cooperation Agreement for technical services and access to database (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i> (cents)	<i>Expiry date</i>
	7,500,000	-	5.5	19/5/10
	2,500,000	-	5.5	30/6/10
	2,000,000	-	5.5	29/11/10
	6,000,000	-	7.5	3/05/10
	5,000,000	-	11.0	21/12/12
	3,000,000	-	10.0	17/12/13
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

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**Compliance statement**

- 1 This statement has been prepared under accounting policies, which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..........  
Managing Director

Date: 30 April 2009.

Print name: .....Mark Reilly.....

**Notes**

- 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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent, which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.