



ASX, AIM and Media Release

16 September 2013

**UPDATE ON PROPOSED ACQUISITION OF LEO MINING AND EXPLORATION LTD,
("LEOMINEX") PROPOSED PLACING AND SHARE PURCHASE PLAN**

Further to the announcement of 15th August 2013, Forte Energy NL ("Forte Energy" or "the Company") (ASX/AIM: FTE) announces that the proposed acquisition of Leo Mining and Exploration ("Leominex") ("the Acquisition") will not proceed because the parties could not agree on certain proposed material amendments to the agreed terms including the withdrawal by Leominex of some of the assets. Forte Energy does not believe that going ahead with the Acquisition is in the best interests of the Company and its shareholders as a whole. However, the Company continues to consider a number of other opportunities with regard to its growth strategy, and the management of Forte Energy believe that the best interests of shareholders will be better served by other potential transactions.

Proposed Placing

The second tranche of the share placing announced on 15 August ("Placing") was subject to shareholder approval and, *inter alia*, on the Acquisition. The Company is pleased to announce that despite the decision not to continue with the Acquisition, the Company has retained investor commitments to raise approximately £0.75m. The Placing will comprise the issue of up to 187.5 million ordinary shares ("Placing Shares") at 0.4 pence (approximately 0.7 cents) per share to new and existing institutional shareholders and sophisticated investors in the United Kingdom, North America, Asia and Australia. The Company will therefore convene a general meeting ("GM") at which it will seek shareholder approval to, *inter alia*, allot the Placing Shares and to refresh its share issuance capacity. It is expected a Notice of Meeting will be posted to shareholders next week and the GM held on or around 21 October 2013.

The proceeds of the placing will be used for general working capital purposes whilst the Company pursues other acquisitions with a view to driving shareholder value.

Application will be made for all the Placing Shares to be admitted to trading on both ASX and AIM and it is anticipated that the Placing Shares will be admitted to trading on AIM on or around 22 October 2013.

Subject to any required regulatory approvals, Mark Reilly, a director of Forte Energy is participating in the Placing through a subscription for 12.5 million new ordinary shares. Details of his commitment to the Placing and his shareholding in the Company before and after the Placing are set out in the table below:

Director	Current No. of Shares Held	% of Current Issued Capital	Subscription to Placing Shares	Shares held post-Placing	% of Enlarged Share Capital (1)
Mark Reilly	17,416,333	1.82	12,500,000	29,916,333	2.39%

(1) Assuming all 187.5m Placing Shares are admitted

As part of the Placing the Company also intends to allow all existing eligible shareholders, being shareholders resident in Australia, New Zealand and the United Kingdom, to participate on the same terms as detailed above through a Share Purchase Plan. The Notice of Meeting will include details of a Share Purchase Plan which will allow each eligible existing shareholder to subscribe for up to A\$15,000 of new ordinary shares at the issue price of 0.4 pence (approximately 0.7 cents) per share. If shareholders approve the Share Purchase Plan at the GM, a prospectus will be issued to all eligible shareholders inviting them to participate

Commenting on the Placing, Mark Reilly, Managing Director of Forte Energy, said:

“We are pleased with the continued support from our shareholders and remain focused on other potential transaction opportunities which will best complement the Company's growth strategy.”

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About Forte Energy

Forte Energy is an Australian-based minerals company focused on the exploration and development of uranium and associated bi-products in Mauritania and Guinea in West Africa. The Company has an extensive pipeline of assets and total JORC resources of 76.8Mt @ 266ppm U₃O₈ for 44.9Mlbs contained U₃O₈ (100ppm cut-off).

Its flagship assets are the A238 prospect (23.4Mlbs U₃O₈) and the Bir En Nar project (2.06Mlbs U₃O₈) in Mauritania, and the Firawa Project in Guinea (19.5Mlb U₃O₈).

Forte Energy U₃O₈ JORC resources (all at a 100ppm cut-off):

Project	Resource Category	M tonnes	ppm U ₃ O ₈	Contained U ₃ O ₈ Mlbs
A238*	Inferred	45.2	235	23.4
Bir En Nar	Indicated	0.5	886	1.0
	Inferred	0.8	575	1.0
Firawa	Inferred	30.3	295	19.5
Total	Indicated	0.5	886	1.0
	Inferred	76.3	262	43.9
	Total	76.8	266	44.9

* A238NW Anomaly included in the A238 Inferred Resources

The Company is quoted on the Australian Stock Exchange (ASX: FTE) and AIM market of the London Stock Exchange (AIM: FTE). For more information, visit www.forteenergy.com.au

Note:

The information in this report that relates to the reporting of Mineral Resources is based on information compiled by Mr. Galen White, who is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM). Mr White is the Principal Geologist of CSA Global (UK) Ltd. CSA Global have an on-going role as geological consultants to Forte Energy NL. Mr. White has sufficient experience which is relevant to the style of mineralisation and 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 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. White consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.