6 January 2014

Corporate Update

Forte Energy NL ("Forte Energy" or "the Company") (ASX/AIM: FTE) is an emerging international uranium company focused on the exploration and development of a portfolio of uranium assets in the Republics of Mauritania and Guinea, West Africa.

As previously announced, Forte Energy has initiated a strategic review and strict cost control programme in order to best manage the business in the current challenging environment. The Company wishes to provide an update on the following measures and progress made:

- **Review of cost base completed leading to a reduction in overheads, including restructuring of corporate head office and relocation of Management**
- **40% reduction in Chairman and 50% reduction in Managing Director fees**
- **Review and streamlining of Management team**
- **Focus on identifying and reviewing value-accretive transactions**
- **c.$750,000 cost saving per annum successfully implemented**

In keeping with Forte Energy's previously announced strict cost control programme and optimisation of working capital, the Company has instigated a number of recent measures. These include the significant reduction in overheads by rationalising Forte Energy's London presence, which has involved the closure of the corporate head office in the UK and the relocation of Management to Australia. In line with the Company's aggressive cost reduction efforts, Forte Energy's Chairman and Managing Director have both agreed to substantial reductions in their fees: 40% reduction for the Chairman and 50% reduction for the Managing Director, with effect from 1st July 2013.

Forte Energy has conducted a review of its Management team in order to ensure that its expertise is best suited to the Company's current requirements. As a result, Scott Yelland, Forte Energy's Chief Operating Officer, has left to pursue other opportunities. Mr Yelland is a mining engineer, and whilst his considerable experience has proved invaluable to date, the Company's temporary focus on external opportunities, rather than developing Forte Energy's resource in the current depressed uranium market, has meant that it has had to streamline its team.

The expected annualised savings from all these cost reduction initiatives is approximately $750,000.

As previously announced the Board continues to explore a number of strategic opportunities that have become available in the current depressed uranium environment, in consultation with the Company's largest shareholders and recognised industry leaders, and an update on these will be made as and when appropriate. Forte Energy has been concentrating on the assessment of external strategic opportunities in the market, with a view to building on the significant organic growth already achieved by the Company to date and diversifying its asset base. The Board believes that this provisional strategic shift from further exploration to corporate activity is in the best interests of all stakeholders, given the current market conditions, and it is pleased to have the full support of the Company's largest shareholders.

The Company experienced delays in obtaining assay results from the 2,190m NQ Aircore drilling programme carried out during 2013 on its 100% owned Hassi Baida licence in Mauritania. These have now been received and are being processed, with results expected to be announced later this quarter. Forte Energy will continue to undertake low cost exploration and scoping related activities in relation to its Mauritanian and Guinean projects, including consolidation of the exploration results to date and high level consideration of priority areas to target for increasing its resource bases in what have been demonstrated to be well mineralised prospects.

The Company is pleased to advise that it has received $100,000 in settlement for the sale of its Millenium mining leases in Queensland to Element Minerals Australia Pty Ltd, a subsidiary of Elementos Limited (ASX: ELT). Assessable transfer applications have been lodged with the Queensland Department of Natural Resources and Mines.

Capital raising of approximately $1.5m was completed following shareholder approval at the EGM held on 31 October 2013. A Share Purchase Plan ("SPP") was also approved at the EGM. Documentation for the SPP is being finalised and is expected to be dispatched to shareholders this month.

The Company has £9.4 million ($17 million) available under its £10 million Equity Financing Facility ("EFF") with Darwin Strategic Limited, a majority owned subsidiary of Henderson Global Investors' Volantis Capital. The two year convertible loan facility for up to US$1,000,000 with Dutchess Opportunity Cayman Fund, Ltd ("Dutchess") has been settled and terminated.

Despite the continued pressures evident in the worldwide uranium market, Forte Energy retains its confidence in the compelling medium to long term supply/demand fundamentals, which indicate a sizeable supply shortfall in coming years. We believe that Forte Energy's robust organic growth and its potential to take advantage of external opportunities will position the Company well to capitalise on the strong long term fundamentals of the uranium market.

Forte Energy will announce further updates on progress and developments in due course.

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

"The Company has made rapid progress in its comprehensive cost reduction programme, which was instigated as a result of the continued poor sentiment in the uranium market and the mining sector as a whole. Forte Energy is undertaking every measure to ensure that it is properly positioned to endure the current environment and to capitalise on suitable external opportunities as they become available, to the best advantage of shareholders.

Scott Yelland has played a vital role in the growth and development of Forte Energy's assets and the Board would like to thank him for his considerable contribution over the past two years and wish him the very best for the future."

Mark Reilly
Managing Director

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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 $U_3O_8$for 44.9Mlbs contained U_3O_8 (100ppm cut-off).

Its flagship assets are the A238 prospect (23.4Mlbs U_3O_8) and the Bir En Nar project (2.06Mlbs U_3O_8) in Mauritania, and the Firawa Project in Guinea (19.5Mlb U_3O_8).

Forte Energy U_3O_8 JORC resources (all at a 100ppm cut-off):

Project	**Resource Category**	**M tonnes**	**ppm U_3O_8**	**Contained U_3O_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

Forte Energy's strategy is to target high grade uranium ore bodies and build a low cost West African-focused uranium producer. 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'. The total JORC resources tabulated here are as at 6th of July 2012. There has been no change, material or otherwise to the resource figures quoted here, since this date, and as such the resources remain reportable to JORC 2004 under which they were estimated. Any subsequent reporting of Exploration Results, Mineral Resources and Mineral Reserves to the market that represent a material change will be reported under JORC 2012, currently in force. 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.