

20 December 2005

The Company Announcements Office
Australian Stock Exchange Limited

Via E Lodgement

**CFE APPOINTS NEW TECHNICAL DIRECTOR TO PROGRESS
CAPE LAMBERT IRON ORE PROJECT**

Cape Lambert Iron Ore Limited (**ASX:CFE**) is pleased to announce the appointment of Mr Brian Maher to the position of Director-Technical, as the company steps up plans to progress the recently acquired Cape Lambert Iron Ore Project in the North West of Western Australia. This appointment is immediate.

Mr Maher has over 40 years in the mining industry, covering both underground and open cut operations, as a miner, supervisor, mining engineer, mine manager consultant, contractor and managing director. He has worked throughout the world, including Australia, Liberia, Guyana and the Philippines. He spent over 12 years in the iron ore industry.

He has worked in senior management positions with leading mining and engineering companies throughout the world including Hamersley Iron, Broken Hill South, Griffin Coal, Thyssen Mining Construction, Lameo Iron Ore, Kinhill Engineers, Linden Mining, Minproc Engineers and Nissho Iwai Mineral Sands.

As a consultant to the mining industry, Mr Maher specialises in providing strategic advice to resource companies in the areas of management practices, mine development and production, and assisting companies through the transition from the exploration to the production stage.

Mr Maher has a Bachelor of Mining Engineering from the University of Melbourne, and is a fellow of both The Australian Institute of Mining and Metallurgy and The Institution of Mining and Metallurgy.

His involvement in the company comes at a time when plans to progress the Cape Lambert Iron Ore project are underway.

The Board of CFE believes Mr Maher will be important to the development of this significant world-class iron ore deposit as well as overseeing the other significant assets already held by the company. These include the Evanston and Mt Ida gold projects in the Goldfields region of Western Australia, the Sacu gold/copper project near the "Golden Quadrilateral" region of Romania and the NFX gold project in the Kirkland Lake region of Canada.

Issue and Allotment of Directors Options

Pursuant to the approval of shareholders at the general meeting held on 17 October 2005 the Company has issued and allotted 12,500,000 options to the Directors.

Yours faithfully

Tony Sage
Executive Chairman

