

5 May 2006

The Company Announcements Office
Australian Stock Exchange Limited

Via E Lodgement

CFE SHARES TRADING ON AIM

Cape Lambert Iron Ore Ltd (ASX: CFE) (AIM: CLIO) is pleased to announce that the Company's shares successfully listed on the Alternative Investment Market (AIM) of the London Stock Exchange yesterday.

CFE shares closed at AUD\$ 0.635 in Australia yesterday and opened in London at AUD\$0.70 trading as high as AUD\$0.76. Over 3.3million shares traded and closed at AUD\$0.709. The Board is pleased with the emerging European shareholder base.

The Company has received numerous enquiries regarding the AIM listing and advise the following:

Shareholders should be aware that the number of shares on issue has not changed but the shares can be traded on both the ASX and AIM markets respectively.

Australian shareholders who wish to trade on AIM can do so by dealing through a licensed broker in London, alternatively through CFE's nomad broker in London, Collins Stewart. The registrar/depositary in London is Computershare Investor Services PLC.

Should there be any queries in respect to the above matters please do not hesitate to contact the writer.

Yours faithfully

CAPE LAMBERT IRON ORE LTD

Tony Sage
Executive Chairman