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The Company Announcements Office
Australian Stock Exchange Limited

Via E Lodgement

CAPE LAMBERT APPOINTS CHAIRMAN DR IAN BURSTON TO LEAD DEVELOPMENT OF FLAGSHIP PROJECT

Cape Lambert Iron Ore limited (ASX:CFE) (AIM:CLIO) ("The Company") is pleased to announce the appointment of Dr Ian Burston, AM as non-executive Chairman.

Dr Burston brings with him exceptional skills in resource management and has more than 30 years of top -level experience in extractive and related industries.

Executive Chairman Tony Sage welcomed Dr Burston to his new position, saying that he was confident Dr Burston's wealth of experience would be a valuable asset to the to the developing Iron Ore producer.

"Dr Burston has been involved with some of the country's most significant mining projects. His particular skill is his ability to take a project from exploration to development stage in the most efficient and successful manner. To attract someone of this calibre, is a great testament to the world-class nature of the Cape Lambert Iron Ore Project and our development plans," Mr Sage said.

Dr Burston holds a Bachelor of Engineering (Mech) degree from Melbourne University and a Diploma in Aeronautical Engineering from Royal Melbourne Institute of Technology. He has completed the Insead Management Paris and the Harvard Advanced Management Program in Boston.

In 1992 Dr Burston was named the Western Australian Citizen of the Year (Industry and Commerce category), and in 1993 he was awarded an Order of Australia (General Division). In 1995 Curtin University Of Technology made him an Honorary Doctor of Science.

Formerly Dr Burston has held positions as Managing Director of Portman Limited, Managing Director and Chief Executive Officer of Aurora Gold Ltd, Chief Executive Officer of Kalgoorlie Consolidated Gold Mines Pty Ltd, Vice President – WA Business Development of CRA Ltd and Managing Director of Hamersley Iron Pty Ltd. He was a non-executive Director of the Esperance Port Authority for ten years. Dr Burston is currently a non-executive Chairman of Broome Port Authority, Aztec Resources Limited and Imdex Ltd, and a non-executive Director of Mincor Resources NL and AVIVA Corp Ltd.

The Cape Lambert Iron Ore Project, located in the Pilbara region of Western Australia has a JORC Code compliant resource of 2.5 billion tonnes (at 30% Fe at 250 m depth & 25% Fe cut

off). Cape Lambert has previously advised that a Bankable Feasibility Study (BFS) is underway and is expected to be completed mid 2007.

The project is targeting production in late 2009, with production likely to be between five and seven million tonnes of iron ore concentrate/annum. Negotiations regarding off-take from the project are on-going and will be stepped up following the appointment of Dr Burston.

The appointment of Dr Burston will take affect from 3rd July 2006. Subject to shareholder approval Dr Burston will be issued with a total of 10 million incentive options and a further 13million incentive options will be issued to existing Directors and consultants of CFE.

Mr Sage will remain full time as Executive Director of the Company.

Drilling Programme update

CFE is pleased to announce that phase one of the drilling programme has commenced and results will be announced as soon as practicable.

Yours faithfully

CAPE LAMBERT IRON ORE LTD

Tony Sage
Executive Chairman

The mineral Resource is based on information compiled by Martin Reynolds who is a fellow of the Australian Institute of Mining & Metallurgy. Mr Reynolds is a Director of Mackay & Schnellmann Pty Ltd, an independent geological consultant. Mr Reynolds is qualified as a Competent person as defined in the 2004, "Australasian Code for Reporting of Mineral Resources and Reserves" (JORC).

For more information please contact:

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