

18 May 2007

The Company Announcements Office
Australian Stock Exchange Limited

Via E Lodgement

CFE MAKES BOARD CHANGES, PROGRESSES CAPE LAMBERT IRON ORE PROJECT

Key points:

- **Mr Ian Burston appointed executive Chairman, Mr Peter Landau joins board**
- **Mr Ding completes options acquisition**
- **Resource calculation at Cape Lambert Iron Ore Project nearing completion**
- **Joint venture office opened**

Iron ore exploration and development company Cape Lambert Iron Ore Limited (ASX: **CFE**, AIM: **CLIO**) wishes to advise the market as to Board changes and the status of activities related to its namesake Cape Lambert Iron Ore project, located in the Pilbara region of Western Australia.

Appointment of Ian Burston as Executive Chairman

With effect from the date of this announcement, Mr Ian Burston will become Executive Chairman, assuming responsibility for the day to day management of the Company.

Ian is currently non-executive Chairman of Cape Lambert, and has more than 30 years experience in mining related positions as Managing Director, CEO, Vice President and Chairman for both prominent and junior companies. Ian is also non-executive Chairman of the Broome Port Authority and Imdex Ltd, and a non-executive Director of Mincor Resources NL.

Appointment of Mr Peter Landau to the Board

Mr Landau is a corporate lawyer and advisor who has previously worked with Grange Consulting Group, Clayton Utz and as advisor and general counsel at Co-operative Bulk Holdings. Peter is responsible for providing general corporate, capital raising, transaction and strategic advice to numerous ASX listed and unlisted companies. Mr Landau has project managed a significant number of mining exploration and development transactions including capital raisings, M & A, joint ventures and financings. Mr Landau is a Director of a number of ASX listed companies with particular focus on mining, oil and gas exploration and development in Australia and Africa. Mr Landau is currently a non-executive director of View Resources Limited, and executive director of NKWE Platinum Limited and Range Resources Limited.

Mr Ding completes options acquisition

The Board is pleased to confirm the purchase by Mr Ding of 40 million 31 October 2010 options has been completed.

Details of this were announced to the market on 30 March 2007.

Resource calculation nearing completion

The Company in conjunction with Golder Associates, is nearing completion of the resource estimate for the Central Target Area. This resource estimate will be used to satisfy the condition pursuant to the sale agreement requiring delineation of a 300Mt Indicated Mineral Resource.

Mr Ding and the Company have appointed RSG Global as an Independent Geologist to audit and certify this resource estimate. Certification of the resource estimate is expected to be completed by the end of July as advised in the Company's quarterly report on 30 April 2007.

Establishment of joint venture office

Cape Lambert would also like to advise that it has opened a joint venture office to, in conjunction with Mr Ding, develop the Cape Lambert Iron Ore project.

The details of this office are;

Level 1
2 Ord Street
West Perth WA 6005

PO Box 764
West Perth WA 6872

Ph: (08) 9211 0600
Fax: (08) 9322 2631

The Company's website address and e-mail addresses' are unchanged.

Yours faithfully
CAPE LAMBERT IRON ORE LIMITED

Ian Burston
Executive Chairman

For more information please contact:

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