

28 March 2008

The Company Announcements Office  
ASX Limited  
Via E Lodgement

## **Cape Lambert and MCC positively progressing AUD\$400M sale**

### **Key points:**

- **AUD\$400 million sale of Cape Lambert Iron Ore Project to MCC on track,**
- **MCC has submitted an application to the Foreign Investment Review Board (“FIRB”),**
- **Due diligence progressing.**

Cape Lambert Iron Ore Limited (“Cape Lambert” or the “Company”) (ASX: **CFE**, AIM:**CLIO**) is pleased to advise that the sale of its namesake iron ore project in Western Australia to MCC Mining (Western Australia) Pty Ltd (“MCC”) is on target.

On 26 February 2008, Cape Lambert announced that it had signed a non-binding MoU for the sale of the Company’s namesake iron ore project (the “Project”) located in the Pilbara region of Western Australia (refer Figure 1) for a total consideration of AUD\$400 million. The Project comprises four key Exploration Licenses being E47/1462, E47/1271, E47/1233 and E47/1248.

MCC has paid an AUD\$10 million deposit (AUD\$5 million is non-refundable) to secure an exclusive right (until 30 April 2008) to conduct due diligence for the acquisition of the Project. The proposed sale is subject to the successful completion of this due diligence, and shareholder, FIRB and Chinese government approvals.

MCC has advised Cape Lambert that it has lodged an application with FIRB.

Due diligence is progressing. MCC currently has an eight member due diligence team in Western Australia.

Cape Lambert Chairman, Ian Burston, said “MCC has quickly progressed the FIRB application and is expediting due diligence, which gives us a clear indication of its intention to complete the sale and achieve completion in the quickest possible time-frame.”

The Board of Cape Lambert remains committed to the successful completion of the due diligence and subsequent sale of the Project.

Yours faithfully  
Cape Lambert Iron Ore Limited

Ian Burston  
**Executive Chairman**

**FOR MORE INFORMATION PLEASE CONTACT:**

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**About MCC:**

MCC has more than 70 fully owned and controlled subsidiaries, including nearly 20 overseas companies worldwide. It has a workforce of more than 47,600 technical and managerial employees.

The company has total assets of approximately US\$20 billion (145 billion Yuan) and in 2007 the revenue and total profit of the group totalled approximately US\$18 billion (126 billion Yuan) and US\$1 billion (7.2 billion Yuan) respectively. It has completed design and construction assignments for approximately two thirds of the iron ore projects in China and undertaken design and construction work for more than 90% of the steel mills in China. Its stated objective is to become a Fortune 500 company by 2010.

In Australia, MCC owns 20% of Citic Pacific Mining's AUD\$5.2 billion Sino Iron Project, located near Cape Preston, approximately 120km south west of the Cape Lambert iron ore project (refer Figure 1). MCC has also been awarded the EPC construction contract at the Sino Iron Project.

Further information about MCC may be found at [www.mcc.com.cn](http://www.mcc.com.cn).

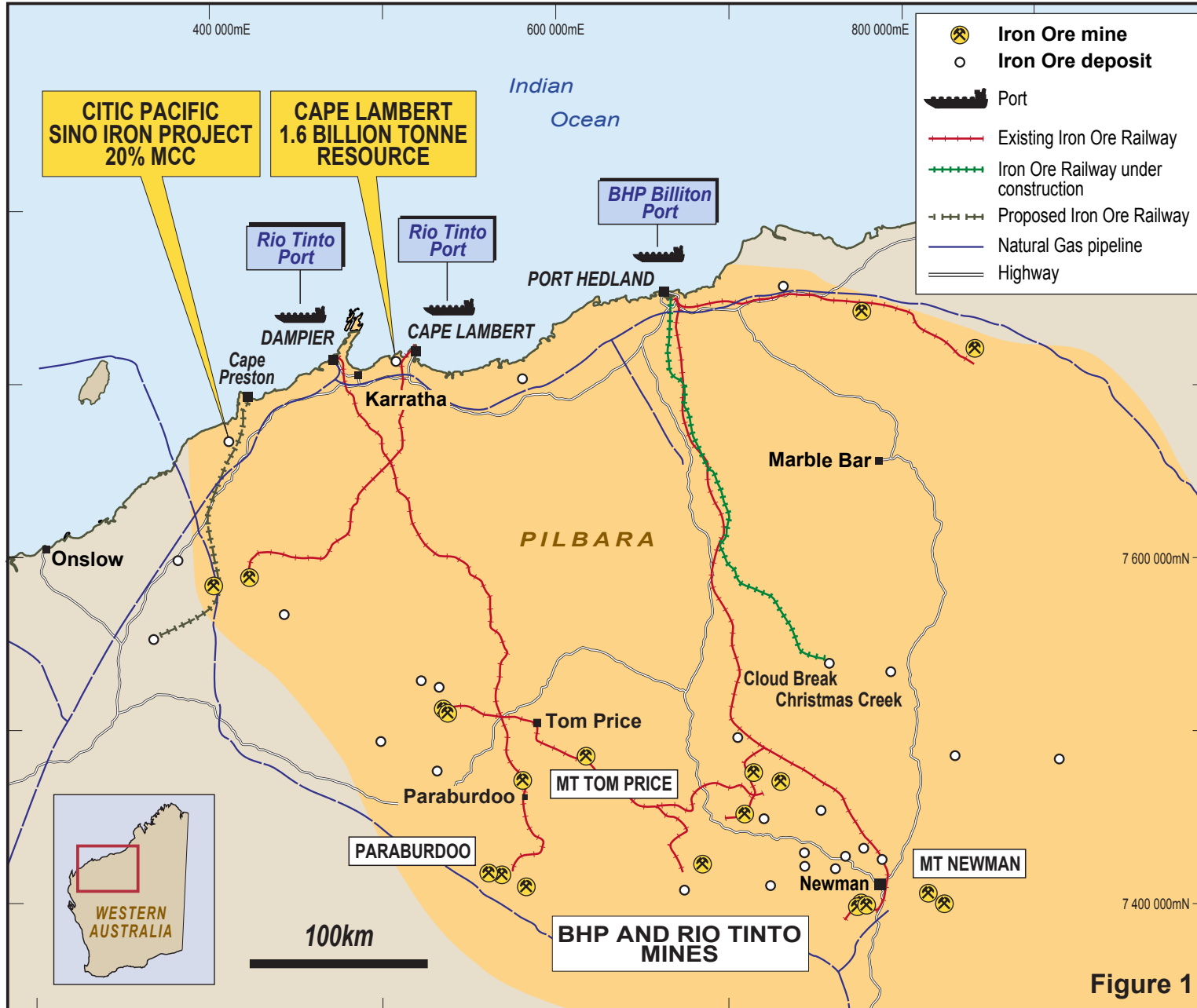


Figure 1