

7 April 2008

The Company Announcements Office
ASX Limited
Via E Lodgement

UBS Resources Iron Ore Seminar Company Presentation

The Company has been invited to present at the UBS Resources Iron Ore Seminar to be held in Sydney tomorrow, 8 April 2008.

A copy of the Presentation that will be made at the seminar is attached to this release.

Yours faithfully
Cape Lambert Iron Ore Limited

Ian Burston
Executive Chairman

FOR MORE INFORMATION PLEASE CONTACT:

Cape Lambert Iron Ore Limited

Ian Burston +61 (0)8 9211 0600
Tony Sage +61 (0)8 9380 9555

Australian Enquiries:

Professional Public Relations
David Tasker +61 (0)8 9388 0944

UK Enquiries:

Collins Stewart Europe Limited
Adrian Hadden +44 (0)20 7523 8353
Oliver Quarmby +44 (0) 20 7523 8354

Conduit PR:

Jos Simson +44 (0)20 7429 6603/+44 (0)7899 870 450
Jane Stacey +44 (0)20 7429 6606

Website:

www.capelam.com.au



**UBS Iron Ore Seminar, Sydney Australia
8 April 2008.**

Disclaimer



This presentation has been prepared by Cape Lambert Iron Ore Limited (“Cape Lambert” or the “Company”). It should not be considered as an offer or invitation to subscribe for, or purchase any, securities in the Company or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this presentation.

This presentation contains forecasts and forward looking information. Such forecasts, projections and information are not a guarantee of future performance, involve unknown risks and uncertainties. Actual results and developments will almost certainly differ materially from those expressed or implied. Cape Lambert has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this presentation. Accordingly, to the maximum extent permitted by applicable laws, Cape Lambert makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and take no responsibility and assume no liability for, the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission, from any information, statement or opinion contained in this presentation.

Throughout the presentation all figures are quoted in A\$ dollars unless otherwise stated.

You should not act or refrain from acting in reliance on this presentation material. This overview of the Company does not purport to be all inclusive or to contain all information which its recipients may require in order to make an informed assessment of Cape Lambert’s prospects. You should conduct your own investigation and perform your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this presentation before making any investment decision.

Information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on previous announcements made by Cape Lambert to the ASX and AIM.

Who are we?



- ▶ Perth based, ASX (**CFE**) and AIM (**CLIO**) listed public company with an iron ore focus,
- ▶ For the past two years, evaluating for development the Cape Lambert Iron Ore project located on the Pilbara coast,
- ▶ Magnetite iron ore project, progressed to feasibility level,
- ▶ In late February, the Company received a A\$400 million offer from a major Chinese conglomerate to purchase the Project,
- ▶ MoU signed, A\$10 million deposit paid and due diligence in process.

Corporate Snapshot



Capital Structure

Ordinary shares (ASX: CFE)		302.5M
Options on issue		
Expiry	Strike (A\$)	Quantity
30-Jun-08	0.49	6.55M
30-Jun-08	0.90	3.30M
22-Oct-08	0.427	0.55M
31-Oct-08 (ASX: CFEO)	0.277	102.21M
09-Feb-09	0.367	0.50M
30-Jun-09	1.40	3.30M
31-Oct-09	0.327	50.00M
31-Oct-10	0.377	28.00M
Total Options		202.4M
Market Capitalisation @ \$0.67 (fully diluted)		\$338.3M
Cash at 4 April 2008		~\$13M

Board of Directors

Ian Burston	Executive Chairman
Tony Sage	Executive Director
Brian Maher	Non-Executive Director
Peter Landau	Non-Executive Director
Tim Turner	Non-Executive Director

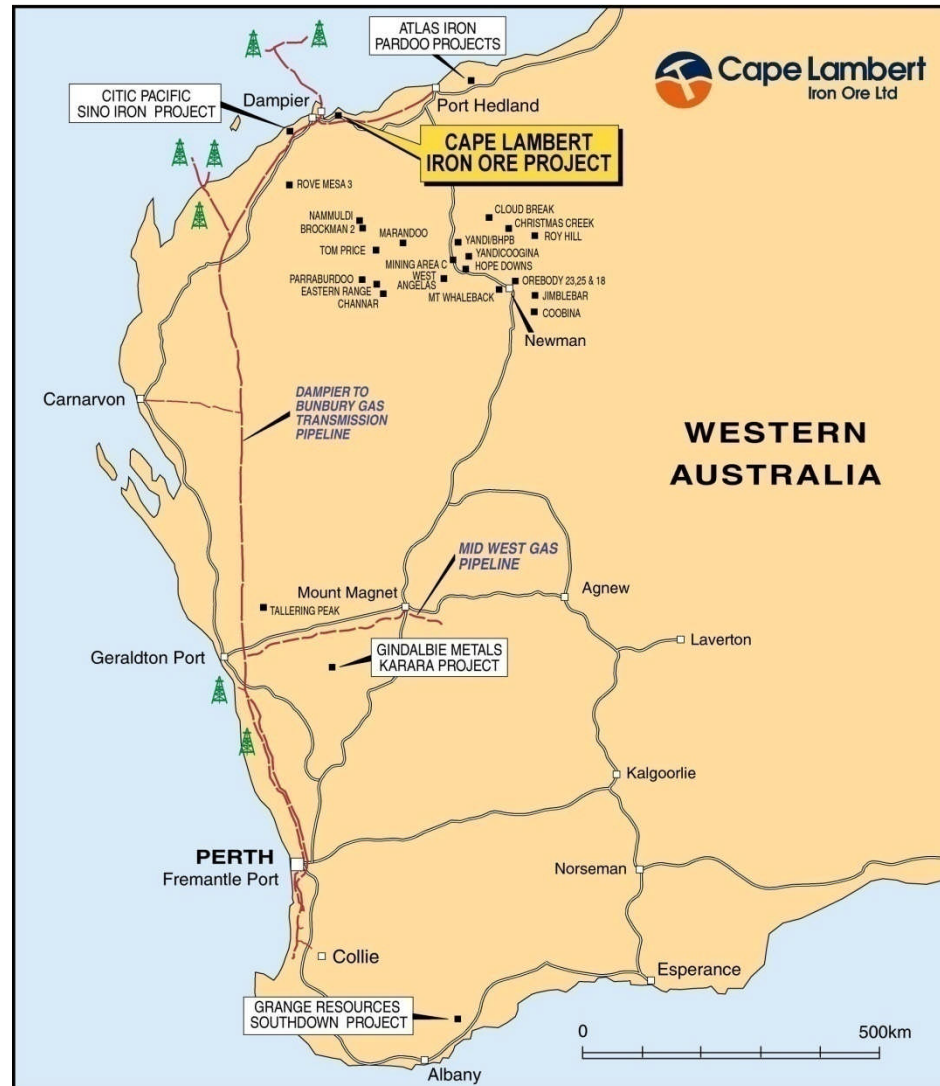
Major Shareholders (as at 1 April 2008)

HSBC Custody Nominees (Australia) Limited	10.9%
ANZ Nominees Limited	6.3%
Power United Limited	6.2%
Mr Antony William Paul Sage	4.9%
Computershare Clearing	4.2%
Delong Holdings Limited	4.1%
Top 20	44.4%

Share Price Performance



Project Location



Project Summary

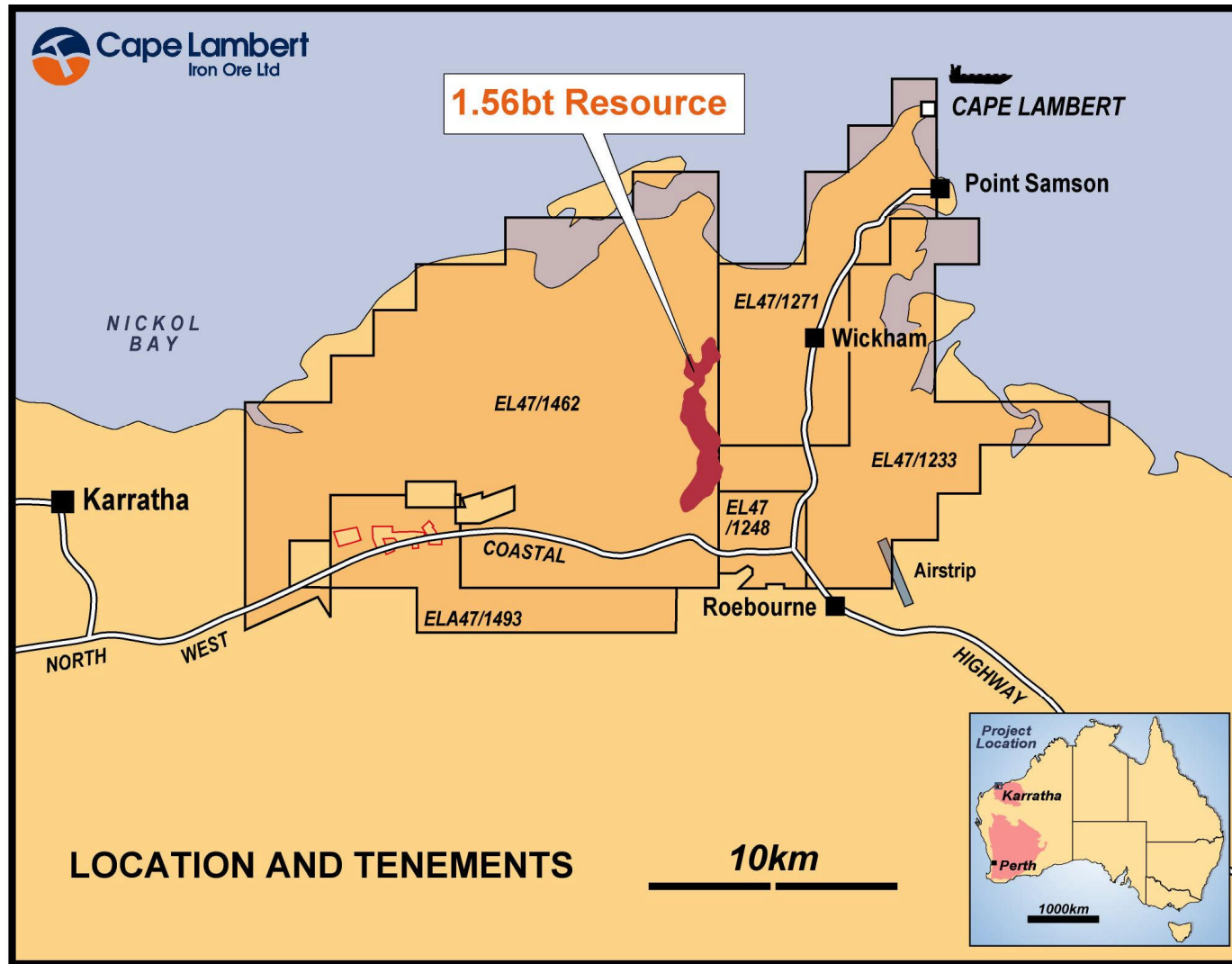


- ▶ 408km², coastal land package,
- ▶ Acquired for \$20 million cash and options in late 2005,
- ▶ Main zone of mineralisation has a strike of approximately 9km by 2km,
- ▶ 1.56 billion tonne, JORC compliant, iron ore resource with further upside,
- ▶ Selective, multiple stage open pit mining,
- ▶ Conventional mineral beneficiation produces marketable magnetite concentrate - +65% Fe, ≤5% (silica + alumina),
- ▶ Proposed production of 15 Mtpa of magnetite concentrate, over a minimum 20 year mine life.

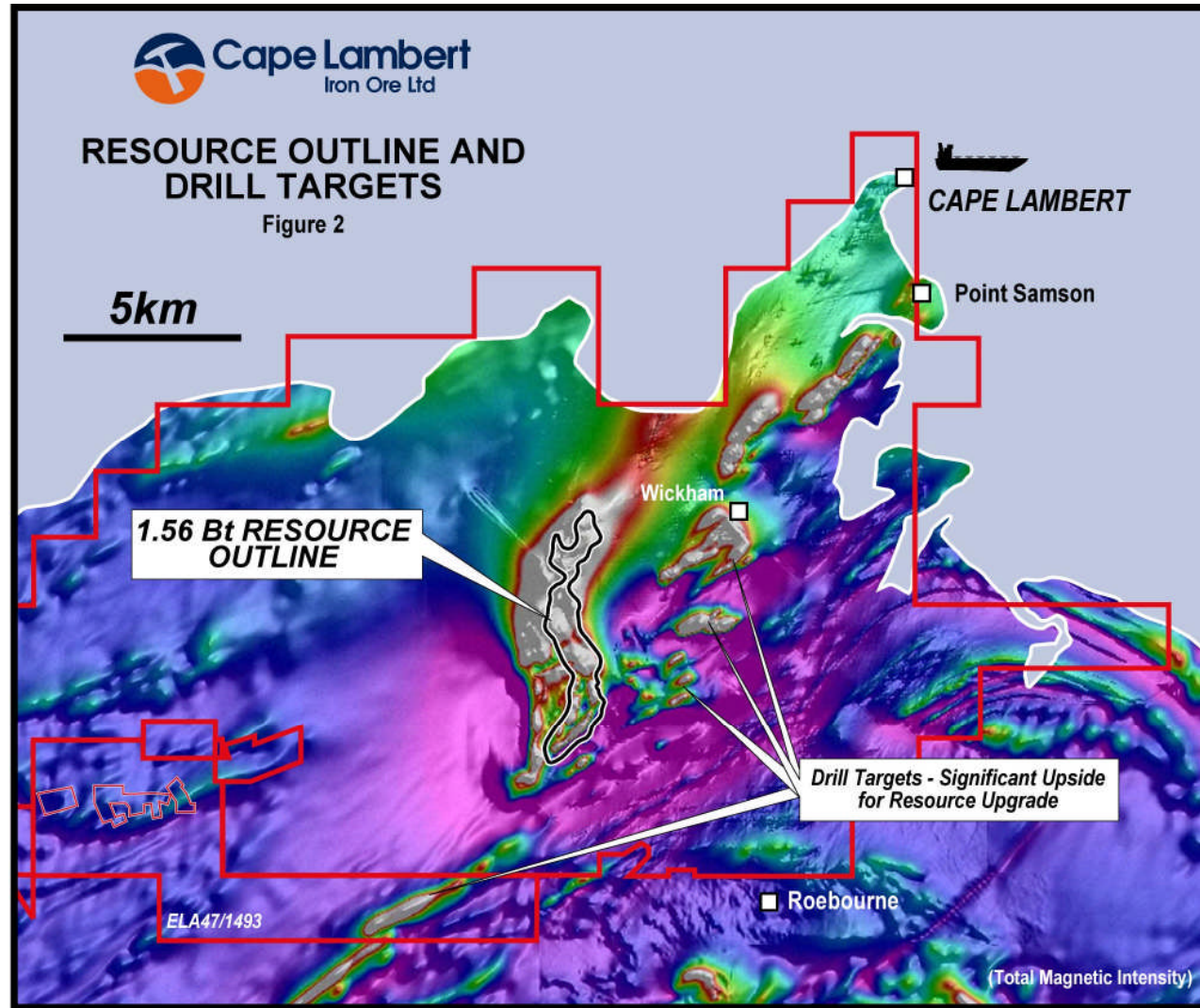
Mineral Resources as at 31 January 2008

Resource Classification	Million Tonnes	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)
Indicated	979	31.4	40.2	2.25	0.03	0.14	5.95
Inferred	577	30.8	41.0	2.22	0.03	0.13	7.38
Total	1,556	31.2	40.5	2.24	0.03	0.13	6.48

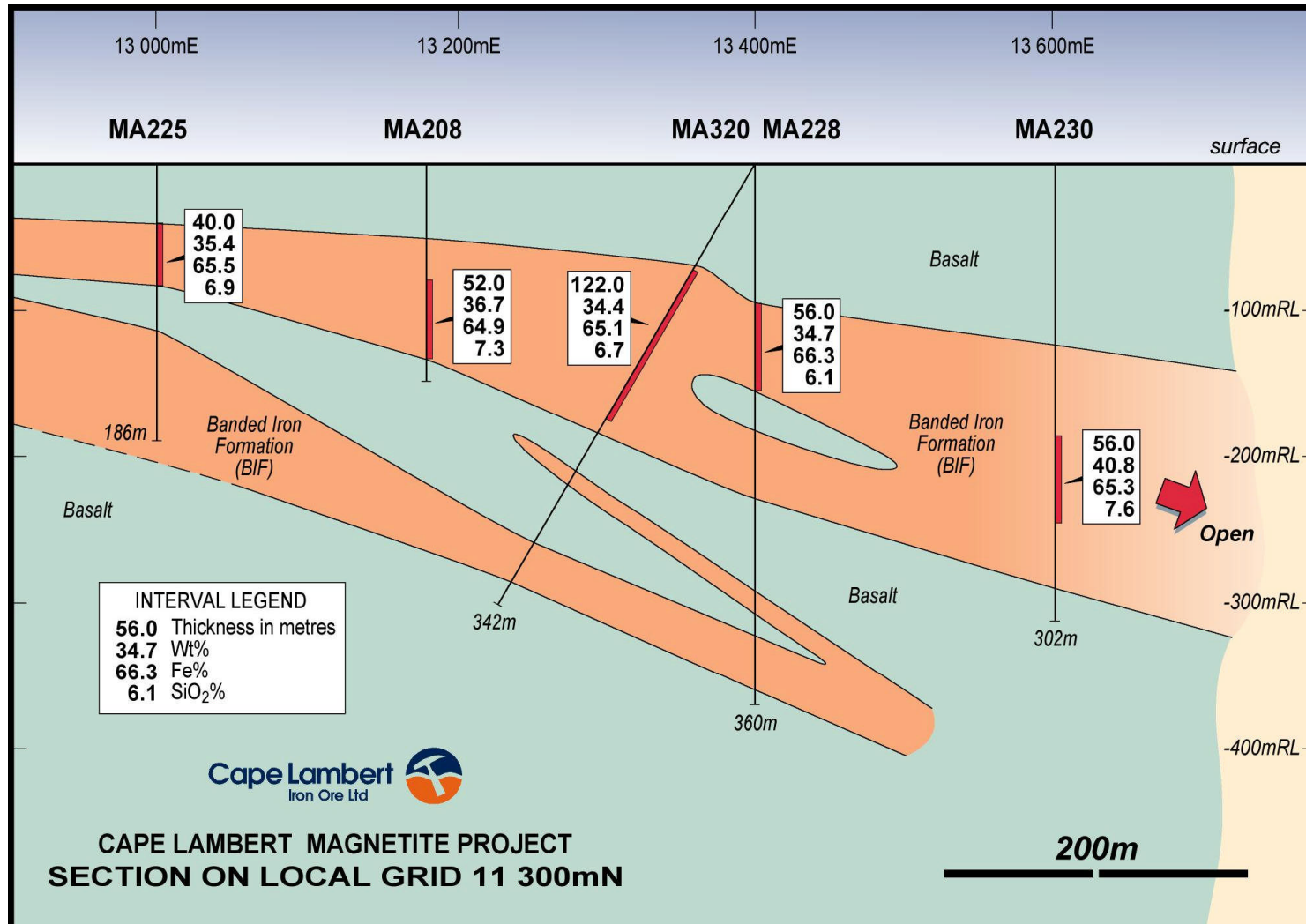
Landholding & Resource



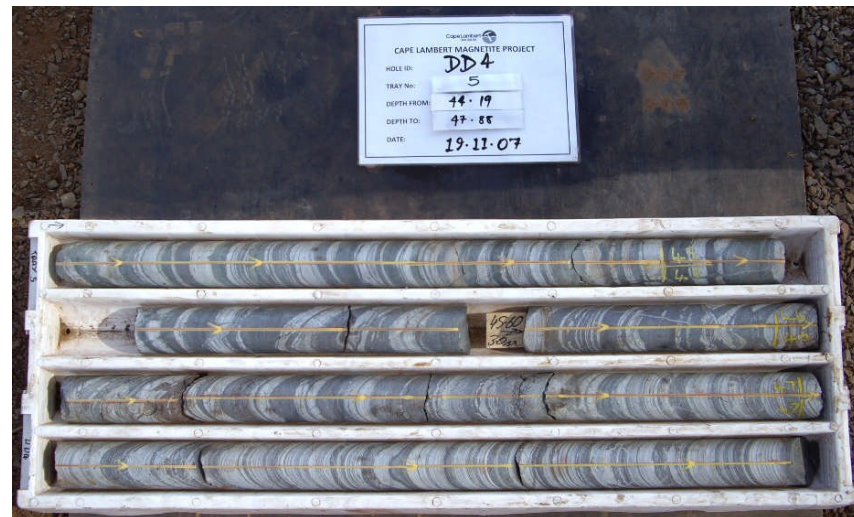
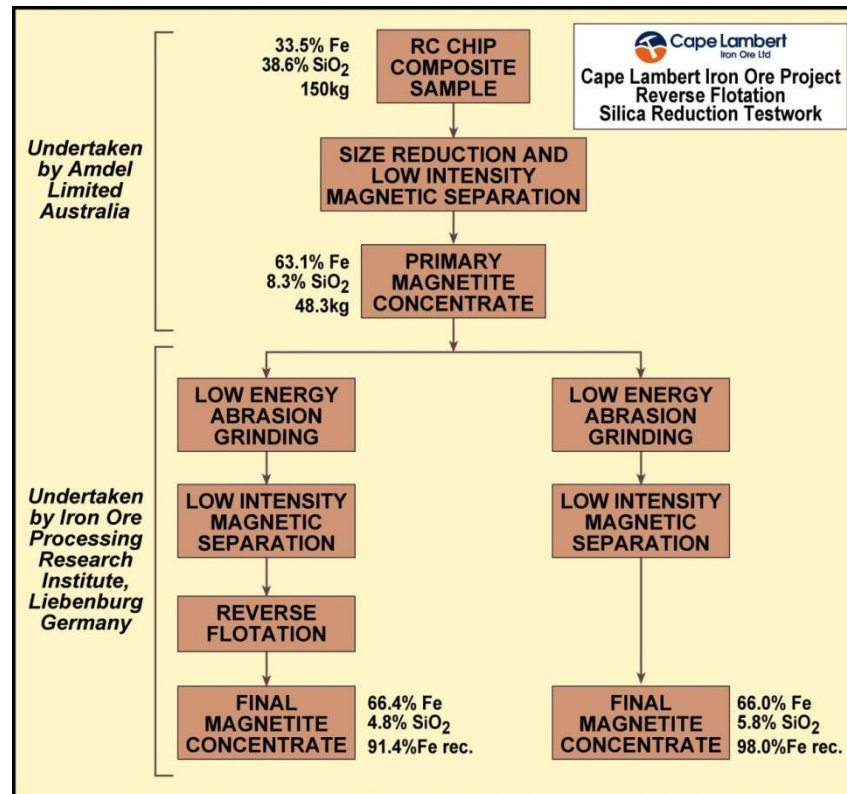
Further Resource Upside



Stylised Section



Flowsheet Development



Project Endowment

- ▶ Large, open mineralised system -9km x 2km - gives considerable upside, mine planning and scheduling flexibility,
- ▶ Favourable coastal location – no significant railway/slurry pipeline infrastructure required,
- ▶ Access via sealed road from major regional airport,
- ▶ Gas pipeline at mine gate – supply available,
- ▶ Multiple port site options & concepts,
- ▶ Ready access to labour & services – Karratha, Wickham & Roebourne near by,
- ▶ Good, existing communications infrastructure – mobile phone footprint, broadband available.

Project Area

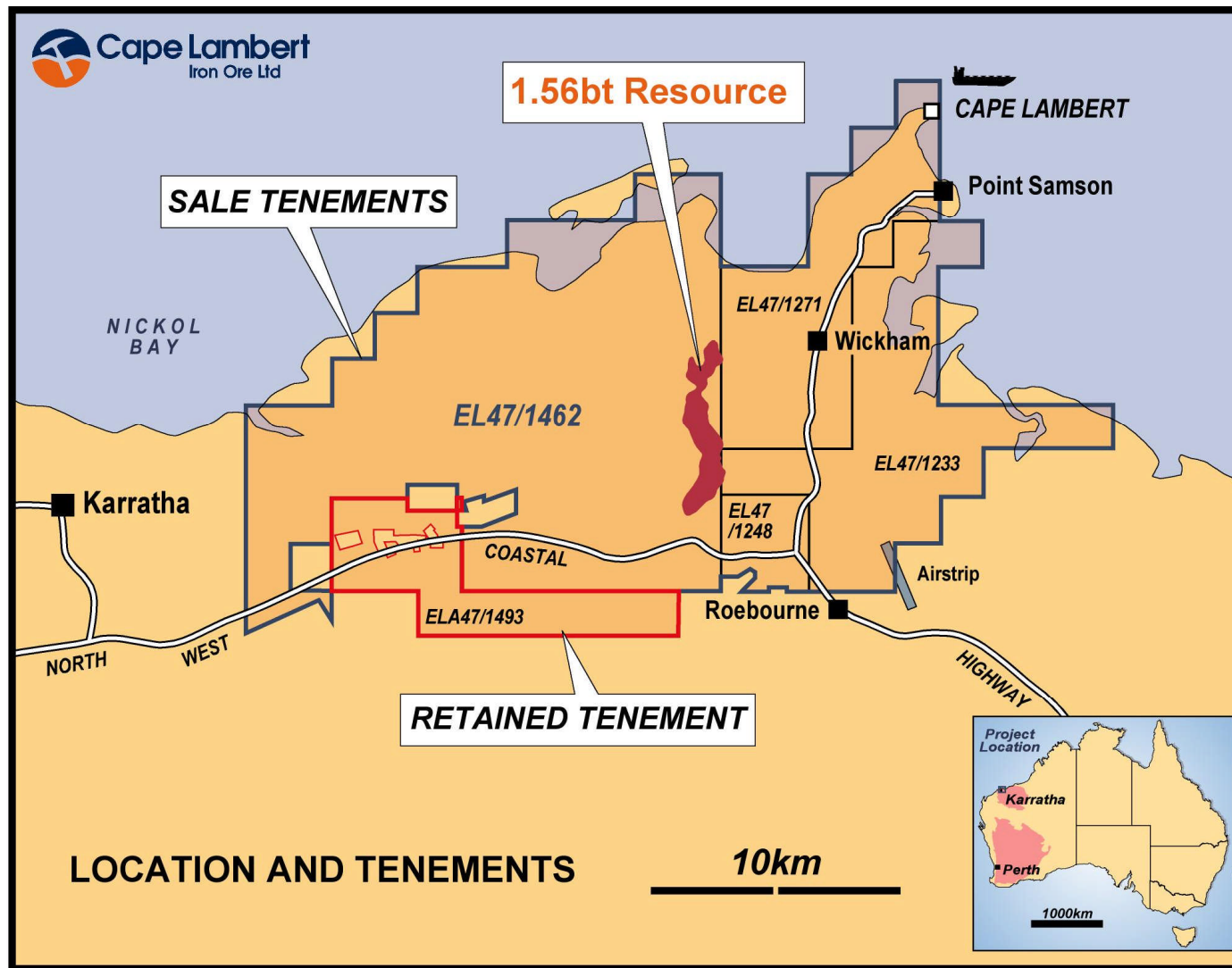


MoU Signed for Sale

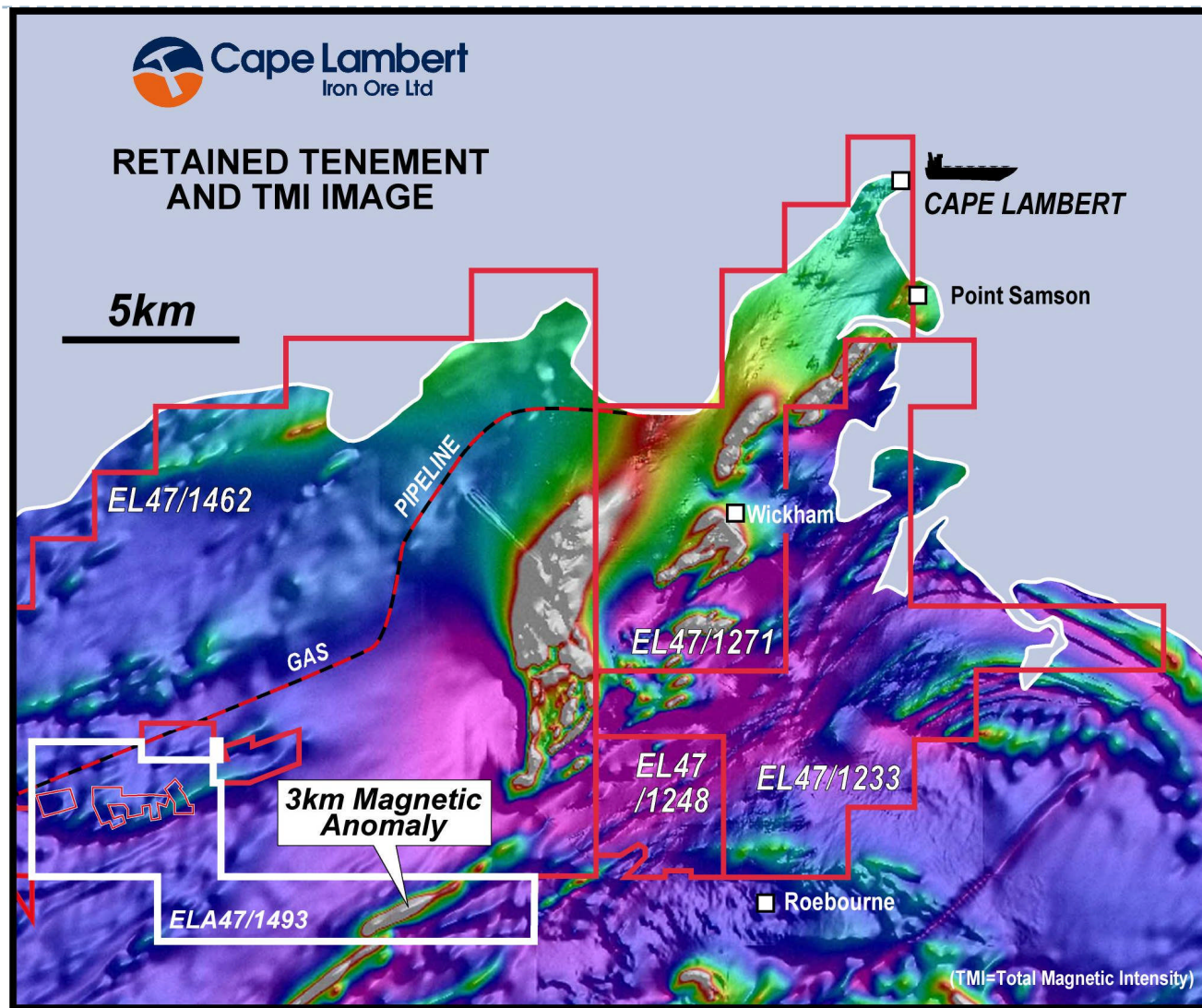


- ▶ MoU signed for the sale of the Project tenements to China Metallurgical Group Corporation (“MCC”),
- ▶ Sale consideration is \$400 million, payable in three tranches,
 - ▶ \$240 million or 60%, on sale becoming unconditional,
 - ▶ \$80 million or 20%, sixty days hence, and
 - ▶ \$80 million or 20% on grant of a mining lease.
- ▶ MCC has paid a \$10 million deposit (\$5 million non-refundable if MCC withdraws),
- ▶ MCC has until 30 April to complete due diligence and obtain Chinese government approvals,
- ▶ Sale is subject to various approvals including Cape Lambert shareholders, the Australian Foreign Investment Review Board (**application lodged**) and the Chinese government.

Sale Tenements



Retained Tenement

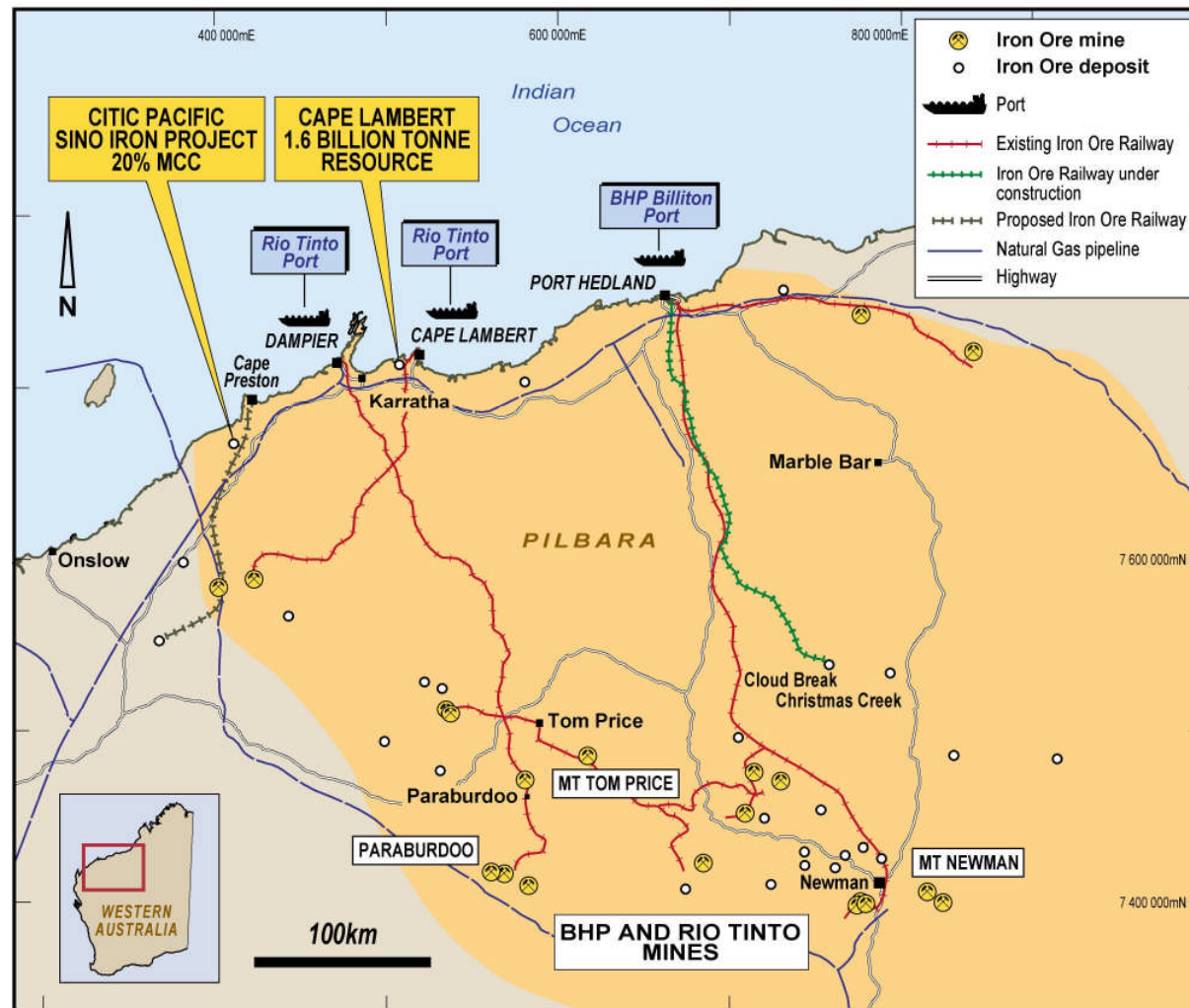


About MCC

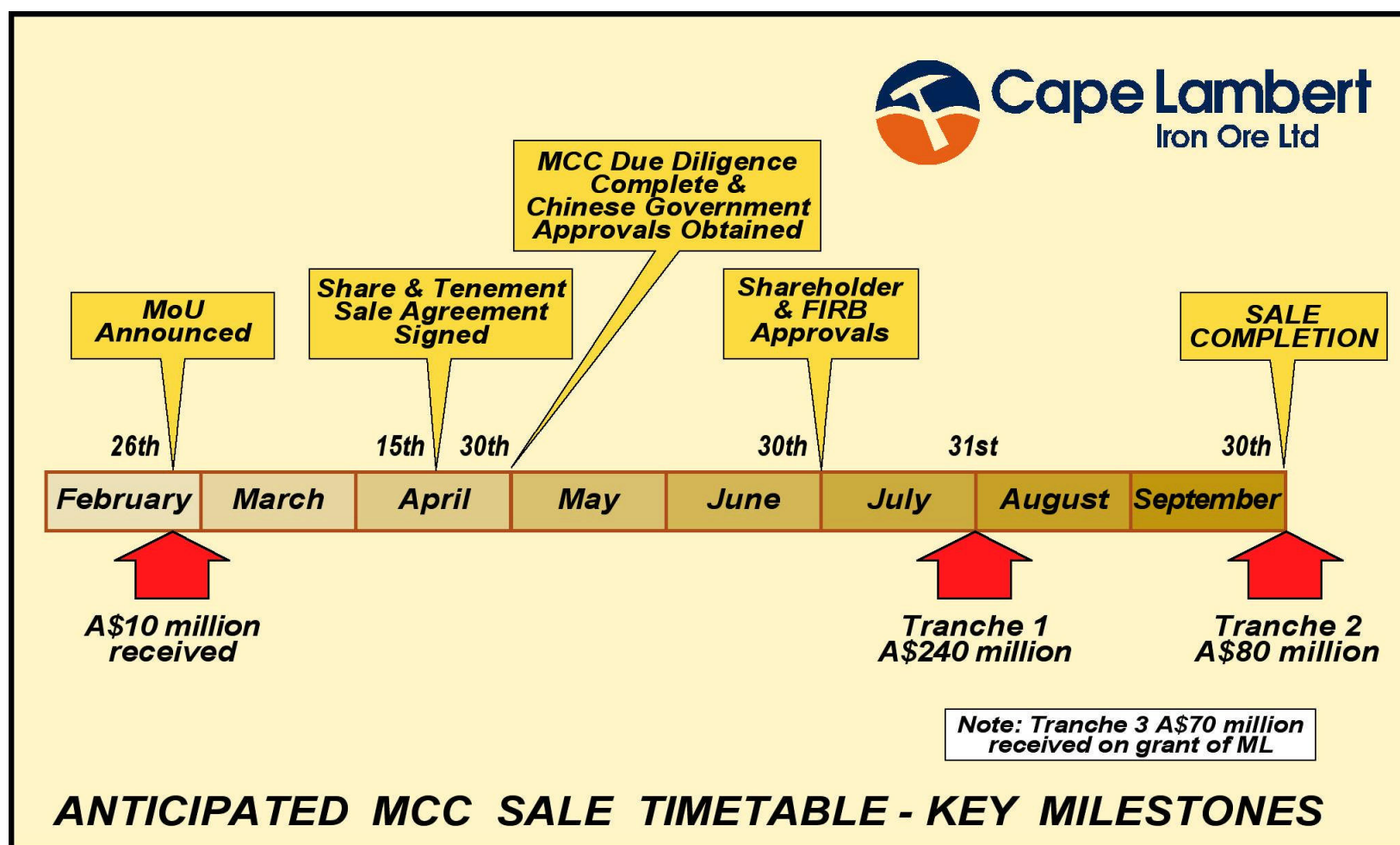


- ▶ Substantial, vertically integrated conglomerate with turnover of approximately US\$18 billion in 2007,
- ▶ MCC is engaged in EPC contracting, mining, papermaking, equipment fabrication and real estate development,
- ▶ Recently signed an MoU with Gladstone Pacific Nickel Limited for the development (construction & financing) of its \$3.65 billion Gladstone Nickel Project,
- ▶ MCC owns 61% of the US\$1.4 billion Ramu Nickel Cobalt project in PNG, which is under construction,
- ▶ In the Pilbara, MCC owns 20% of the Sino Iron Project (located approximately 120km from Cape Lambert), and has been awarded the EPC component of this project.

MCC has an existing Pilbara Investment



Anticipated Sale Timeline



Near Term Plan



- ▶ Assist MCC successfully complete due diligence – several MCC officers currently reviewing information,
- ▶ Advance the grant of new tenement ELA 47/1493 to enable drill testing of the 3km magnetic anomaly,
- ▶ Step-up the identification and review of new business opportunities that compliment the Company's skills and strengths in mining and iron ore – dedicated personnel now in place,
- ▶ Scale back Cape Lambert project development activities to minimise non value adding expenditure.

Summary



- ▶ Board is committed to, and primarily focused on, the successful completion of the sale to MCC,
- ▶ Repositioning underway to pursue new business opportunities that fit the Company's strengths and skill set, where the potential to value add can be demonstrated,
- ▶ Post sale completion, significant cash reserves available in a time of uncertain capital markets, where access to capital is likely to be limited.