

29 April 2008

The Company Announcements Office
ASX Limited

Via E Lodgement

Cape Lambert and MCC complete due diligence on AUD\$400M sale, FIRB application re-lodged

Key points:

- **AUD\$400 million sale of Cape Lambert Iron Ore Project to China Metallurgical Group Corporation on track,**
- **Due Diligence completed,**
- **MCC has re-lodged Foreign Investment Review Board (“FIRB”) application at request of FIRB,**
- **New FIRB application to be determined before 28 May 2008, and**
- **Parties progressing to finalisation of Sale Agreement.**

Australian iron ore company Cape Lambert Iron Ore Limited (“Cape Lambert” or the “Company”) (ASX: **CFE**, AIM: **CLIO**) is on track with the sale of its namesake iron ore project in Western Australia to China Metallurgical Group Corporation (“**MCC**”), with MCC confirming it has completed due diligence on the project and wishes to commence finalising all relevant Sale Agreements.

Cape Lambert has also been advised by MCC that it has re-lodged its FIRB application at the request of FIRB, who indicated they were unable to reach a determination on the application prior to the statutory deadline being reached. It is now expected that a decision will be made by FIRB prior to 28 May 2008.

Cape Lambert Chairman, Ian Burston, said “Due diligence has been completed and the outcome of the resubmitted FIRB application will be known within a month, all well within the original time frame for key milestones for the sale to be achieved”.

“MCC has advised that they now wish to finalise the Sale Agreement related to the acquisition of the Cape Lambert Iron Ore Project, which gives us great confidence that this company defining transaction will soon be completed.”

The Board of Cape Lambert remains committed to working with MCC towards the successful sale of the Project, to the benefit of all shareholders and stakeholders in the Company.

Yours faithfully
Cape Lambert Iron Ore Limited

Ian Burston
Executive Chairman

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About MCC:

Further information about MCC may be found at www.mcc.com.cn.