

FORM 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Cape Lambert Iron Ore Limited

ACN/ARSN 095 047 920

1. Details of substantial holder (1)

Name Merrill Lynch & Co., Inc.

ACN/ARSN (if applicable) _____

The holder became a substantial holder on 15/07/2008

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on last the date the substantial holder became a substantial holder are as follows:

Class of Securities (4)	Number of Securities (5)	Person's votes	Voting Power (6)
Ordinary Shares	60,726,735	60,726,735	16.00%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class of securities	Number of Securities
Merrill Lynch & Co., Inc.	Beneficial Owner (deemed interest from its associates)	Ordinary share	60,726,735

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Persons entitled to be registered as holder (8)	Class of securities	Number of Securities
Merrill Lynch Pierce Fenner and Smith	Merrill Lynch (Australia) Nominees Pty Ltd	Merrill Lynch Pierce Fenner and Smith	Ordinary share	60,726,735

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of Relevant Interest	Date of Acquisition	Consideration (9)		Class and number of securities
		Cash	Non Cash	
Appendix 1				

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Merrill Lynch & Co., Inc.	Ultimate holding company
Merrill Lynch (Australia) Nominees Pty Ltd	Subsidiary of Merrill Lynch & Co., Inc.

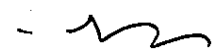
7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Merrill Lynch & Co., Inc.	4 World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281
Merrill Lynch (Australia) Nominees Pty Ltd	Level 38, Governor Phillip Tower, 1 Farrer Place, Sydney 2000

Signature

print name Michael Horrax capacity Attorney-in-fact

sign here  date

Transaction History
Period: []

Appendix 1

[Company Name/SIN]

Date of Acquisition	Transaction	Loan Value / Considerati on (AUS\$)	Price (AUS\$)	No of Shares
Merrill Lynch Pearce Fenner and Smith	15/07/2008 Exercise of 56,050,153 CFEO options	15,525,889.61		56,050,143

