

16 September 2008

The Company Announcements Office
ASX Limited

Via E Lodgement

Requisitioned meeting

Cape Lambert Iron Ore Limited ("Cape Lambert" or the "Company") (ASX: **CFE**, AIM: **CLIO**) has received a copy of a proposed notice of general meeting of shareholders to be convened by Power United Limited, as attached.

Cape Lambert was not involved in the preparation of the notice and accordingly, the notice is subject to legal advice being obtained as to the validity of the notice and the nomination of directors.

Cape Lambert recommends that shareholders **take no action** with respect to the notice of meeting until such time as the Company has obtained such legal advice.

Yours faithfully
Cape Lambert Iron Ore Limited

Tony Sage
Executive Director

FOR MORE INFORMATION PLEASE CONTACT:

Cape Lambert Iron Ore Limited:
Tony Sage +61 (0)8 9380 9555

Australian Enquiries:
Professional Public Relations
David Tasker +61 (0)8 9388 0944/ +61 433 112 936

UK Enquiries:

Nominated Adviser:
Grant Thornton UK LLP
Fiona Owen +44 (0)20 7383 5100

AIM Broker:
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

POWER UNITED LIMITED

(Hong Kong Registered Company No 910033)

38/F Tower One Lippo Ctr 89 Queensway, Hong Kong

Dear Shareholder,

Cape Lambert Iron Ore Limited ACN 095 047 920 – Notice of General Meeting

As you may be aware, our company has recently become a substantial shareholder in Cape Lambert Iron Ore Limited (**Company**) and currently has a shareholding of 11.49% in the Company.

As a substantial shareholder we are very concerned by the recent announcement by the Company of a proposal to invest substantial funds and make a substantial share issue to acquire a minority interest in the Marampa Project in Sierra Leone, at a time when the Company has just completed the successful sale of its major asset. We are firmly of the view that no such decision should be made by the Board without seeking the approval of the Company's shareholders and are particularly concerned that the effect of the transaction is to deliver a potentially controlling interest in the Company to parties associated with the current owner of the Marampa Project without those parties being identified and without shareholders having the opportunity to vote on the transaction. This concern is also borne out by the fact that an English company, London Mining plc, has filed a writ in Sierra Leone against the owner of the Marampa Project disputing ownership of a significant area of the Marampa Project.

We are also concerned about the current Board's conduct by issuing 8,350,000 options to employees and consultants as announced on 8 August 2008 despite the resolution to approve the issue of these options being withdrawn by the Board from the General Meeting held on 28 July 2008.

In these circumstances we have exercised our right pursuant to section 249F of the *Corporations Act* to call a meeting of shareholders to be held on Wednesday, 15 October 2008 at 2.00pm at the Grand River Ballroom, Sheraton Perth Hotel, 207 Adelaide Terrace Perth Western Australia to consider a series of resolutions to change the Board of your Company.

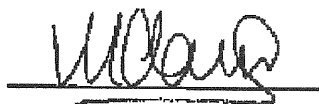
We believe it is important for all shareholders to have their say as to how the funds received from the recent sale of the Cape Lambert project should be spent and the direction the Company should take in the future. We therefore urge you to attend the general meeting or lodge with the Company a proxy to ensure that your vote is counted in determining who is to run your Company in the future.

If you support our proposal and would like one of our nominees to act as your proxy, please nominate Martin Bennett as your proxy when you complete your proxy form.

If any shareholders have queries in relation to the proposed Board changes we would be more than happy to discuss them with you. For that purpose we have set up a Shareholder Information Line and any queries can be directed to the following telephone numbers:

Callers within Australia: 1800 118 938
International Callers: +618 9386 2651

Yours faithfully



Michelle Clark
Director



Antony Bryans
Director

CAPE LAMBERT IRON ORE LIMITED ACN 095 047 920

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of shareholders of Cape Lambert Iron Ore Ltd (Company) will be held on Wednesday 15 October 2008 at 2.00 pm (Western Standard Time), in the Grand River Ballroom, Sheraton Perth Hotel, 207 Adelaide Terrace Perth Western Australia 6000 for the purpose of transacting the business referred to in this Notice.

The Explanatory Memorandum, which accompanies and forms part of this Notice of Meeting, describes in more detail the various matters to be considered.

AGENDA

1 Removal of Director - Mr Antony William Paul Sage

To consider and if thought fit, pass the following resolution as an **ordinary resolution**:

'That pursuant to clause 12.5 of the Company's Constitution Mr Antony William Paul Sage be removed as a director of the Company with immediate effect.'

2 Appointment of Director - Mr Elias Leo Khouri

To consider and if thought fit, pass the following resolution as an **ordinary resolution**:

'That pursuant to clause 12.3 of the Company's Constitution Mr Elias Leo Khouri be appointed as a director of the Company with immediate effect.'

3 Removal of Director Mr Timothy Paul Turner

To consider and if thought fit, pass the following resolution as an **ordinary resolution**:

'That pursuant to clause 12.5 of the Company's Constitution Mr Timothy Paul Turner be removed as a director of the Company with immediate effect.'

4 Appointment of Director - Mr Blair Edward Sergeant

To consider and if thought fit, pass the following resolution as an **ordinary resolution**:

'That pursuant to clause 12.3 of the Company's Constitution Mr Blair Edward Sergeant be appointed as a director of the Company with immediate effect.'

5 Removal of Director - Mr Brian Joseph Maher

To consider and if thought fit, pass the following resolution as an **ordinary resolution**:

'That pursuant to clause 12.5 of the Company's Constitution Mr Brian Joseph Maher be removed as a director of the Company with immediate effect.'

6 Appointment of Director - Mr Anthony (Tony) Gareth Roberts

To consider and if thought fit, pass the following resolution as an **ordinary resolution**:

'That pursuant to clause 12.3 of the Company's Constitution Mr Anthony (Tony) Gareth Roberts be appointed as a director of the Company with immediate effect.'

7 Appointment of Director - Mr Martin Lawrence Bennett

To consider and if thought fit, pass the following resolution as an **ordinary resolution**:

'That pursuant to clause 12.3 of the Company's Constitution Mr Martin Lawrence Bennett be appointed as a director of the Company with immediate effect.'

EXPLANATORY MEMORANDUM

1 GENERAL INTRODUCTION

This Explanatory Memorandum has been prepared for the information of shareholders of the Company. This meeting has been called pursuant to s249F of the *Corporations Act* by Power United Limited (**Shareholder**) being a member of the Company holding in excess of 5% of the votes that may be cast at a general meeting of the Company. The purpose of this Explanatory Memorandum is to provide shareholders with information that Power United Limited believes to be material to shareholders in deciding whether or not to pass the resolutions. It should be read in conjunction with the accompanying Notice of Meeting.

2 BACKGROUND TO THE MEETING

The Shareholder is extremely concerned about the proposed investment announced by the Company on 2 September 2008 in the Marampa Project in Sierra Leone. The Board is not seeking the approval of shareholders for the investment and it appears that the Board is seeking to commit the Company to a significant investment which in the Shareholder's opinion is being driven more to change effective control of the Company (by use of the 15% placement capacity under the ASX Listing Rules) and not by the value of the investment proposition itself. The Shareholder is concerned that the proposed investment in the Marampa Project will deliver effective control of the Company to parties associated with the current owner of the project without those parties being identified and without shareholders having the opportunity to approve the transaction.

The Shareholder acknowledges that another major shareholder of the Company (Evraz Group S.A.) will have a key say in the composition of the Board (and hence the decision on whether or not to proceed with the Marampa investment) and the Shareholder has therefore called this meeting to allow each major shareholder the opportunity of determining the direction of the Company moving forward.

The Company's announcement stated that completion of the acquisition would occur on 30 September 2008 (or such other date as the parties agree). Therefore it appears the Company will complete its due diligence and negotiation of formal legal agreements within 28 days. The Shareholder does not believe this is sufficient time to properly carry out due diligence and enquiries in respect of the Marampa Project. Given the significant consideration being paid namely 44,000,000 fully paid Cape Lambert shares and committed expenditure of USD\$25,000,000, the Shareholder is concerned that adequate enquiry and due diligence may not be carried out. The concern is borne out by the fact that an English company, London Mining plc, has filed a writ in Sierra Leone against the owner of the Marampa Project disputing ownership of a significant area of the Marampa Project.

The Shareholder also believes that an enquiry and investigation needs to be conducted by the Board regarding associations with African Minerals Limited, the current owners of the Marampa Project. The Shareholder believes the Board should divulge details regarding previous associations and dealings with the Directors of African Minerals and details of the alleged eight (8) months of due diligence carried out to date by the Company on the Marampa Project, which have never previously been referred to in any announcement made by the Company.

The Shareholder supports the proposed dividend however believes that the Board should consider paying a fully franked dividend to ensure that the ultimate result for shareholders is consistent for both Australian resident and non-resident shareholders.

The Shareholder is also concerned about the Board's conduct by issuing 8,350,000 options to employees and consultants as announced on 8 August 2008 despite the resolution to approve the issue of these options being withdrawn by the Board from the General Meeting held on 28 July 2008.

The Shareholder has lost faith in the Board and believes the Board has ulterior motives regarding the Marampa transaction which have not been disclosed to shareholders.

3 QUALIFICATIONS OF PROPOSED DIRECTORS

Mr Anthony (Tony) Gareth Roberts Dip.Min.Eng. B.A

Mr Roberts is a mining engineer with over 35 years experience in Australia and overseas. His experience has been gained with both major and junior mining companies and has included senior management positions with BHP and Placer Dome. During his career Mr. Roberts has acquired an in depth knowledge of both the Iron Ore and steel making industries particularly those in Asia and Japan. Mr. Roberts commenced his career with BHP in the South Australian iron ore operations of Iron Baron and Iron Monarch, over a period of 20 years with BHP he held senior positions at a number of mine sites including management of their Koolan Island iron ore mine in Western Australia. His experience has included contract negotiations on iron ore supply to China and Japan resulting in an intimate understanding of the needs and demands of various steel mills in those countries. In addition to large scale iron ore background, Mr Roberts has a wealth of experience at the exploration and development stages of mining projects. He has been responsible for a number of significant exploration and start up 'Greenfield' Projects in Australia and SE Asia for both major and junior exploration and mining companies. These projects have involved a wide range of commodities and often been undertaken in difficult and arduous environments. Mr Roberts is an Australian qualified engineer from the South Australian Institute of Technology at the Levels, Salisbury and holds a West Australian Unrestricted Quarry Managers Certificate of Competency.

Mr Elias Leo Khouri

Mr Elias Leo Khouri has been in the international finance and equity markets since 1987 and has been involved in various companies both unlisted and listed on the ASX, AIM, TSX and DAX. His experience and knowledge has enabled him to gain vast experience in the areas of corporate finance, advisory, mergers and acquisitions, capital raisings, joint venture and farm in negotiations for both listed and unlisted companies in the resource, bio-tech, media and entertainment and telecommunications industries. Mr Khouri has or still does provide extensive advice to Solagran Limited, Continental Goldfields Limited, Bio Prospect Limited, Fox Resources Limited, International Goldfields Limited and Nkwe Limited all of which are listed on the ASX. He has been instrumental in both raising and assisting in the original listing of Cape Lambert Iron Ore Limited and assisting strategically in the spin off of International Goldfield Limited (IGC).

Mr Blair Edward Sergeant

Blair Sergeant graduated with a Bachelor of Business and a Post Graduate Diploma in Corporate Administration, both from Curtin University, WA. He is a member of the Chartered Institute of Company Secretaries and an Associate of the Australian Society of Certified Practising Accountants. Mr Sergeant is currently the Finance Director of ASX Listed Coal of Africa Limited and a Non-executive Director of Vmoto Limited, Contact Resources Limited and Millepede International Limited all of which are listed on the ASX.

Mr Martin Lawrence Bennett

Martin Bennett is a barrister and solicitor practising in Western Australia in the role of General Counsel at Perth based law firm, Lavan Legal. He was educated at the University of Western Australia, where he obtained Bachelors of Laws, Arts and Jurisprudence (Honours) between 1976 and 1977.

An advocate of over 30 years experience, he acts in the High Court, Federal Court and WA Supreme Court in all areas of civil litigation and regulation including defamation. Martin has broad experience acting in the role of director of ASX listed companies and in relation to public companies generally. In the 1980s, Mr Bennett was solicitor for the late Robert Holmes à Court and has been involved in merger and acquisition transactions and related litigation and Takeovers Panel applications since then.

POINT AT WHICH VOTING RIGHTS ARE DETERMINED

In accordance with Regulation 7.11.37 of the *Corporations Act* the convener of the General Meeting has set a date to determine the identity of those entitled to attend and vote at the General Meeting. All shares that are listed in the Company's Register at 5:00pm WST on Monday 13 October 2008 shall be entitled to vote at the general meeting.

PROXY INSTRUCTIONS

If you are unable to attend and vote at the meeting and wish to appoint a person who is attending as your proxy, please complete the attached form of proxy.

Each member entitled to attend and vote at the meeting may appoint not more than two proxies to attend and vote instead of such member.

Where more than one proxy is appointed each proxy must be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion of the member's voting rights each proxy may exercise half of the member's voting rights.

The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation as required by its constitution or the hand of its attorney.

A proxy need not be a member of the Company.

In the case of joint holders the proxy form may be signed by any one holder.

Should you wish to direct your proxy how to vote please indicate your direction in the appropriate box(es) on the proxy form otherwise your proxy will have a discretion to vote as he/she thinks fit.

Proxy Forms (and any power of attorney or other authority under which they are signed) must be delivered or sent by facsimile transmission to the registered office of the Company at 18 Oxford Close, Leederville, Western Australia, facsimile: (08) 9380 9666, not less than 48 hours before the time for holding the General Meeting.

Dated: 11 September 2008

Signed for and on behalf of
Power United Limited (Hong Kong Registered Company No 910033)



Michelle Clark
Director



Antony Bryans
Director

being a shareholder of Cape Lambert Iron Ore Ltd holding in excess of 5% of the votes that may be cast at a general meeting of the Company.

Proxy Form

All correspondence to:

Cape Lambert Iron Ore Limited
 18 Oxford Close
 LEEDERVILLE WA 6007
 Facsimile: (+61 8) 9380 9666

1. I/We (please print)

Name
 Address

2. Appointment of a proxy

I/We being a member(s) of Cape Lambert Iron Ore Limited hereby appoint:

(Write here the name of the person you are appointing)
 or failing the person named, or if no person is named the chairman of the meeting as my/our proxy and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the general meeting of Cape Lambert Iron Ore Limited to be held at the Grand River Ballroom, Sheraton Perth Hotel, 207 Adelaide Terrace Perth Western Australia, at 2.00 pm (Western Standard Time) on 15 October 2008 and at any adjournment of that meeting.

3. Votes on items of business

(Voting directions to your proxy – please mark to indicate your directions)

		FOR	AGAINST	ABSTAIN
Resolution 1	- Removal of Mr Antony William Paul Sage as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	- Appointment of Mr Elias Leo Khouri as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	- Removal of Mr Timothy Paul Turner as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Appointment of Mr Blair Edward Sergeant as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Removal of Mr Brian Joseph Maher as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Appointment of Mr Anthony (Tony) Gareth Roberts as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Appointment of Mr Martin Lawrence Bennett as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. Appointment of a second proxy

I/We wish to appoint a second proxy

mark with an "X" if you wish to appoint a second proxy AND % OR State the percentage of your voting rights or the number of shares for this Proxy Form

5. Authorised signature(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

INDIVIDUAL/SECURITY HOLDER 1
 Individual/Sole Director and Sole
 Company Secretary

SECURITY HOLDER 2
 Director

SECURITY HOLDER 3
 Director/Company Secretary