

19 August 2009

BY FAX - ORIGINAL IN POST
(61 8 9380 9666)

Cape Lambert Iron Ore Ltd.
18 Oxford Close
Leederville, Western Australia 6007
Australia

Re: Notice of Interests of Substantial Shareholder under Section 671B

Company Secretary:

Enclosed is a Form 603 dated 18 August 2009. Please note that a copy of this report has been sent to the Australian Stock Exchange.

The Capital Group Companies, Inc. ("CGC") is the parent company of Capital Research and Management Company ("CRMC"). CRMC is a U.S.-based investment management company that manages The American Funds family of mutual funds. CGC is also the parent company of Capital Group International, Inc. ("CGII"), which in turn is the parent company of five investment management companies: Capital Guardian Trust Company, Capital International, Inc., Capital International Limited, Capital International Sàrl and Capital International K.K. Each of these investment management companies acts separately from the others and from CGC in exercising investment discretion over its managed accounts.

Neither CGC nor any of its affiliates own shares of your company for its own account. Rather, the shares reported on Form 603 are owned by accounts under the discretionary investment management of one or more of the investment management companies described above.

For the purpose of this Notice an outstanding share balance of 523,797,213 shares was used to calculate the percentage of holdings. We believe this outstanding share balance is current; however, if this number is not accurate, please contact us as soon as possible so that we may make the necessary revisions to this Notice.

Should you have questions or require additional information, please contact Gina Martinez or Vivien Tan at (213) 615-0469 or send a fax message to (213) 486-9698. Alternatively, you may contact us via e-mail at GRGroup@capgroup.com.

Regards,

Christopher Aquino
Compliance Associate

Form 603**Corporations Act 2001 Section 671B****Notice of initial substantial holder**

To Company Name/Scheme Cape Lambert Iron Ore Ltd.

ACN/ARSN _____

1. Details of substantial holder (1)

Name The Capital Group Companies, Inc.

ACN/ARSN (if applicable) n/a

The holder became a substantial holder on 18 August 2009

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 the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary Shares	32,100,000 shares	32,100,000 shares	6.13%

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 are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
The Capital Group Companies, Inc.		32,100,000 Ordinary Shares

The shares being reported under this section are owned by accounts under the discretionary investment management of 1 investment management company (Capital Research and Management Company) which is a direct or indirect subsidiary of The Capital Group Companies, Inc., 333 South Hope Street, 55th Floor, Los Angeles, California 90071.

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	Person entitled to be registered as holder (8)	Class and number of securities
		none	
See Annexure A dated 18 August 2009 (copy attached)			

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	
The Capital Group Companies, Inc.	20 April 2009 Thru 18 August 2009	Average price of 0.35 AUD		32,100,000 Ordinary Shares

6. Associates

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

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

The company (Capital Research and Management Company) referred to in paragraph 1(a) is a wholly owned direct or indirect subsidiary of The Capital Group Companies, Inc.

7. Addresses

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

Name	Address
The Capital Group Companies, Inc.	333 South Hope Street, 55 th Floor Los Angeles, CA 90071

Signature

print name: Liliane Corzo

Capacity: Associate Counsel

sign here _____

Date: 19 August 2009

Annexure “A”

This is the Annexure of 1 page marked Annexure “A” referred to in Form 603 (initial) signed by this corporation dated 18 August 2009.

The Capital Group Companies, Inc.

By:

Liliane Corzo
Associate Counsel

**Australia Annexure
Cape Lambert Iron Ore Ltd.
18 August 2009**

CG Investment Management Company

Capital Research and Management Company

Account Number

11000035

11000075

Number of Shares

26,100,000

6,000,000

32,100,000

% Held

GRAND TOTAL

32,100,000

6.13%

Nominee List

Cape Lambert Iron Ore Ltd.

18 August 2009

Nominee Name

Westpac Custodian Nominees
50 Pitt Street, 8th Floor
Sydney, NSW 2000
Australia

11000035	26,100,000
11000075	6,000,000
Total Shares:	
32,100,000	
