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EXPLORATION DRILLING TO COMMENCE AT LADY ANNIE PROJECT

Key Points:

- **Exploration drilling to commence at the Lady Annie Project in late February 2010, with the first reverse circulation drill rig scheduled to arrive onsite on or about 24 February 2010,**
- **Initial focus is on upgrading and adding to the defined resources at the Mt Kelly Mining Area and Anthill-Python prospects,**
- **Swick Mining Services Limited (ASX: SWK) awarded a two year contract for surface exploration drilling services, and**
- **Program comprises approximately 70,000 metres of reverse circulation drilling and 10,000 metres of diamond drilling.**

Australian resources and investment company, Cape Lambert Resources Limited (**ASX: CFE**) ("Cape Lambert" or the "Company") is pleased to advise that exploration drilling is due to commence at the Lady Annie Project in late February 2010, with the first reverse circulation ("RC") drill rig scheduled to arrive at the project on or about 24 February 2010.

Swick Mining Services Ltd has been contracted to undertake exploration drilling services over a two year period at the Lady Annie Project, which is located 120km north of Mt Isa, Queensland (refer Figure 1).

The two year exploration drilling program comprises approximately 70,000 metres of RC drilling and 10,000 metres of diamond drilling ("DD"). The first of 3 drill rigs, comprising two RC and one DD rig, will arrive at Lady Annie on or about 24 February 2010 and will commence drilling shortly thereafter. The second RC rig is scheduled to arrive in the second quarter 2010, and a diamond rig in May 2010.

RC drilling will initially focus on upgrading and adding to the currently defined resources at the Mt Kelly Mining Area, and upgrading and extending the defined resource at the Anthill – Python prospects, located to the south of the Mt Kelly Process Plant (refer Figure 2). The scope of RC drilling will expand significantly with the arrival of the second RC rig, which will focus on testing highly prospective exploration targets on granted mining leases and exploration permits within the project area.

Cape Lambert is an Australian domiciled, mineral investment company. Its current investment portfolio is geographically diverse and consists of mineral assets and interests in mining and exploration companies.

The Company continues to focus on investment in early stage resource projects and companies, primarily in iron ore, copper and gold. Its "hands on" approach is geared to add value and position assets for development and/or sale.

The Board and management exhibit a strong track record of delivering shareholder value.

**Australian Securities Exchange
Code: CFE**

Ordinary shares
565,166,467

Unlisted options (30 June 2010)
8,350,000

Unlisted options (31 Oct 2010)
28,000,000

Board of Directors

Tony Sage Executive Chairman
Tim Turner Non-executive Director
Brian Maher Non-executive Director
Eloise von Puttkammer
Company Secretary

Key Projects and Interests

Lady Annie Copper Project
Marampa Iron Ore Project
Sappes Gold Project
DMC Mining Limited
Corvette Resources Limited

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The Company is currently divesting its interest in the Lady Annie Project by way of an Initial Public Offering ("IPO") of Q Copper Australia Limited. Patersons Securities Limited is the Lead Manager to the IPO. The indicative closing date of the IPO is 3 February 2010.

Should you wish to participate in the IPO you can do so by completing the application form in the Supplementary Prospectus dated 14 December 2009, which should be read together with the Prospectus dated 16 November 2009. A copy of the Prospectus and the Supplementary Prospectus can be downloaded from the Q Copper website: www.qcopper.com.au. Alternatively, you can call Mr Philippe Francois on (08) 9211 0600 to request a copy of the Prospectus and Supplementary Prospectus are mailed to you.

"The award of the drilling contract prior to the listing of Q Copper is in line with the Company's strategy of ensuring exploration commences at Lady Annie as early as possible to enable additional mine life to be crystallised," said Cape Lambert Executive Chairman, Mr Tony Sage.

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman

About Swick Mining:

Swick Mining Services (ASX: SWK) is one of Australia's largest mineral drilling contractors, providing high quality, high value underground and surface drilling services to a diverse group of mining houses in gold, iron ore, nickel, copper, lead, zinc and manganese. The Company has a strong reputation for innovation in rig design and drilling practices that delivers improvements in productivity, safety, versatility and value. Swick recently committed to expanding its operations outside of Australia and building a global brand through an expansion into targeted international markets, with an initial focus on North America.

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